

2013 HOUSE EDUCATION

HB 1319

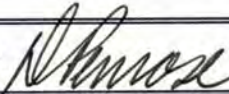
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
February 5, 2013
18331

☐ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will open the hearing on HB 1319.

Gov. Jack Dalrymple: Thank you for welcoming me to your joint hearing. I must commend you for holding this joint meeting with the Education Appropriations committee. This is a very efficient way of doing this. I don't know why for the past 30 years we didn't do this. In general, I want to say that this is a very important piece of legislation. It is not an easy piece of legislation but it is very significant, in the history of our reforms of K-12 funding.

There are three main parts to it, equity, adequacy and tax relief. It is very unusual to have all of those parts combined into one bill. First of all, it completes the task of achieving equity in school funding in the state of ND. As you recall, this all began in 2007, when the state faced a lawsuit on the part of 12 plaintiff school districts who claimed that the state of ND was unfairly distributing funds to school districts and that a number of school districts had inadequate resources to deliver a good education. We felt that the plaintiffs had a good case and in 2007, we offered to sit down and engage in settlement discussions with the plaintiff districts to settle the issue. Fortunately they were willing to do so and we sat down at the table and about a year and half long process, formed a special group called the Commission on Education Improvement, composed of four plaintiff superintendents, four legislative leaders, the state superintendent of DPI, and the Governor represented by the Lt. Governor as chairman. Those ten people crafted a bill that passed the 2007 session. It eventually passed the 2009 session also as the completion of the equity task. Under the new arrangement, where we took into account the property wealth of school districts and the other sources of outside income available to school districts. Equity means equal financial resources behind each student. Even though we came a very long way in the first two rounds of reforms, we did not fully achieve the goal of true equity. We still had no financial distinction between districts that were at 90% of the statewide average valuation per student and all the way up to 150% of the statewide average valuation per student. In that range, 90%-150% of valuation, there was no equalization taking place. There is not today. This bill takes the final step of getting to a true system of equity in school finance.

It also achieves true adequacy. In 2009-2011, we made a great deal of progress identifying what adequacy was in school funding and made some great steps

towards achieving that financially. We have relied on a study completed for the State Legislature. The name of the study was, "Funding Schools Adequately in North Dakota" dated July 2008, prepared by Allan Odden, Lawrence Picus, two of the leading authorities in the nation on adequacy in school funding. They analyzed each and every cost, about 150 pages that goes into the proper operation and management of a K-12 funding system. They actually arrived at a dollar figure per student, that is necessary in order to not only have an adequate education, but they aim for a very good education, and in fact, the opportunity to double student performance in North Dakota. Achieving adequacy today would mean taking the level that they prescribed, about \$7300 per student, adding an inflation factor to that each year since that time, adding up to about 22% and that allows us to arrive at a per student payment in the bill that we can honestly say is enough money to educate a student from total resources. This is an important change in this bill. An important distinction that now we are approaching adequacy not just from the state's standpoint but we're approaching it from the standpoint of the state and local resources that are available, which in the end, of course, is what really matters. That puts the legislature in the new position that they've never been in before, which is that you as policy makers now have that policy decision. What is the total amount of funding necessary to be behind that child in total, not just the state contribution, but the total resources necessary? This is a very important role for the state legislature over the long haul.

The third, very important feature of this bill is that it does achieve a substantial property tax relief. I think there has been a lot of talk in the last year in ND about property tax relief as you know. I want to say quite simply, that this is no small effort in this bill. Five years ago, the average general fund mill levy in ND was 195 mills, almost 200 mills. This bill limits the general fund levy for any school district in ND for education, to 60 mills. That is a huge reduction in the burden on the local property taxpayer. Today's estimated value of that for taxpayers is \$714 million and of course, the value of that goes up as valuations rise. The mill levy buy down I want to say has served us well for the last couple of bienniums is not a permanent solution to property tax relief. It is a temporary sharing of costs with the local school district. This has to be revisited every two years. The funds have to be recomputed, reappropriated and it really can't be viewed as a permanent solution. As we know, it requires a state biennial increase to maintain the same reduced levy and that increase is a liability to the state of North Dakota. Another disadvantage with the mill levy buy down is that it was originally based on 2008 levies, which inevitably over time become outdated and we know that because of the rapid change in valuations in ND, the playing field out there has moved a lot since 2008. What we thought was going to be a fairly stable situation, has actually turned out to be quite variable. This bill, I will say, and I believe the sponsors will say this also; this is not the total answer to every property tax issue out there. It is certainly though a solution to school district tax levies, which when we began back in 2007, we're approximately 1/2 of all levies assessed in the state of ND. I think you have to view it that way. If you feel that more needs to be done with other political subdivisions, I think that should be addressed in another bill. This bill is about property tax relief through school districts. We believe that it is sustainable into the future. We believe we have the resources through our various tax types and yes, property tax relief was

conceived as being supported income from the oil production tax and we would continue to envision the oil production tax as being of the reason that we can continue strong property tax relief for years to come. Our analysis indicates that it is sustainable as far into the future as we can see. I also think that to those who are interested in education funding that sustainability will be there on the part of the legislature. There is no higher priority in state government, than K-12 education. I'm confident that over the long haul, legislators will continue to prioritize their support for K-12 education through whatever means are necessary.

Rep. David Monson: Sponsor, support (see attached #1, 2, 3 and 4).

Rep. Skarphol: As a member of Appropriations, you know the dilemma we face with coming to the close of the session and trying to balance the dollars. I'm just trying to reconcile in my mind if we pass this bill, it really does reduce our capabilities to affect the funding, the dollars; because we will likely not see this bill since there is no money in it. Our only ability to affect this policy or make decisions with regard to how much we are going to spend is dependent on us communicating with the Education Committee to ensure that policy is what the Appropriations Committee would deem appropriate now. How do you reconcile that in your mind as a member of Appropriations that we're not going to see this and the policy that is set here dictates we don't have any influence over?

Rep. David Monson: I would say that Ch. Nathe has already been informed by our leader that this bill has to be kicked out by our deadline of February 11th as if it had money in it. I believe his intention is to send it to us so we reconcile it together with that. When we have reconciled it, I would assume that it's going to be explained on the Floor by whoever carries the bill from House Education. You're absolutely right, we would not have to see this bill, but there is nothing that says we can't and I believe our leader is planning to send it there.

Ch. Nathe: Thank you.

Gov. Jack Dalrymple: HB 1319 Summary (see attached #5, 5A). This is to help everyone understand what the bill is actually doing, section by section. Section 1, 2 and 3 are not significant, it simply makes the adjustment that mills are now levied in accordance with chapter 57-15. The same is true for sections 4 and 5, which is existing language dealing specifically with the Fargo School Board and they are now within the requirements of Title 15.1 and Title 57. That is really not a significant change from where they are today because all school districts, according to current statute are headed to a vote two years from now on their excess levies. That is not changed by that bill; that is the way the law reads today. (Continued explaining the different sections #6, 7, 8, 9, 10.) Section 11 is a special section that we have had in the past; this is slightly different because of the way the new formula works. We have a few school districts in the state that essentially have no tax base. For years, we wrestled with how do we put them into a formula when they are such an anomaly; mostly reservation districts, in some cases the airbase actually has part of their effort is a separate district. This is a calculation that says that if you are lower than 40% of the statewide average, we will use the statewide average. It works well from

the practical standpoint and that is essentially the way that we approach it today. Looking at the total way that this computation is done, I want to emphasize that low-levying districts do not benefit less under this formula. I think there's going to be an immediate presumption that somehow you get less out of it. You have to appreciate that high valuation districts have been fortunate in the past, but they still are, because they have available to them 22 mills, which do not count in any way towards the calculation of the state aid formula. That is still a significant advantage over poorer districts. Continued on with section 12, this is a little more difficult and I'll try to explain it simply, it is the establishment of baseline funding which is necessary to determine a hold harmless, or a minimum payment. We also needed to determine whether a district is achieving a maximum payment. This is essentially trying to establish what the school district is receiving this year through our current state formula. First, you establish all the state aid distributed to the school district in 2012-2013, this year, from the state school aid grants line. Second, you add all the funds distributed to the district this year from the mill levy reduction grant and that of course, today is up to a 75 mill levy grant reduction. Third, you add a theoretical, because it hasn't been enacted, but you add a presumption that we would be willing to provide an additional 60 mill buy down to all districts handled in the same way that the mill levy reduction grants are handled today, only instead of a 75 mill reduction, it would be a 60 mill reduction or levies, or mills levied over 50 mills. Finally, you take all of that money that they do and would receive and divide the result by the weighted student units. That becomes essentially the district's baseline going forward. We are ensuring that every district receives at least 102% of their baseline funding in year 1 and 104% of their baseline funding in year 2. This bill also includes a dollar hold harmless for the first time in state history. We have not had this in the past because legislators felt that the funding per weighted student unit is essentially what is important; we aren't interested in doing things to offset enrollment changes. We're interested in the per student amount but because of the large number of variables that there are in this formula change, it was decided that in year 2, the school district should also be supported with a guarantee of 98% of the dollars that they receive through state aid in year 1. In the case of a few school districts that are experiencing severe declining enrollment, this will actually be helpful and we're also protecting them a bit just in dollars. There is a maximum increase of 10% a year in the first year, second year and, of course, it would be envisioned that would continue to increase in the future until finally no one is on the maximum whatsoever. Initially a number of schools will be either held harmless or would be impacted by the maximum. There have been questions about that. Is that a bad thing? I just want to say that when our new equity formula was adopted in the 2007 session, in a different way but the first steps toward equity, we have the same situation at that time. In 2009 when that bill was passed, there were a large number of schools initially either on the hold harmless or affected by the maximum, but we know now that over time, over a five year period, the vast majority of those schools have now come on to the formula and as state aid increases, they gradually come back onto the formula. We've been there before and it works quite well as schools get more money they become regular formula driven. In general, how does everyone come out? We will hand out the results for your school districts so you can actually see in dollars what's going on with them. Virtually all districts gained when you analyzed the combined state and local picture of their revenue sources. This is, of

course, the way that we need to do it now. We need to change over from just looking at the state aid that we provide to looking at the state and local resources that are available and that will, in the future, become the way that we look at K-12 education. Levies, as we go forward will probably range from 50 mills up to 72 mills, if they take full advantage of the 12 mill misc. levy. The presumption that we make in the printout projections that DPI is doing, is that within that range, 50 to 72 mills, a typical school district would be willing to peg their mill levy at 60. That's kind of a mid-point, some perhaps would do less, some would do more, and hopefully all of them do it according to their needs and nothing else. (Continued with sections 13, 14, and 15). I think it's been 6 or 8 years since the minimum teacher salary has been adjusted. This would be viewed as a kind of inflationary update. I will mention that this is something to take seriously, because this bill, for the first time in several sessions, does not include a provision that 70% of new money must go to teacher compensation. The reason for that is that the formula change involved so many different things, that new money becomes not a very good benchmark. There may be a dramatic amount of new money in a few districts. There might be very little in some other districts. It's not a good support for the teacher compensation picture in this first year. The minimum teacher salary becomes a bit more important to look at as another way of trying to ensure that some of the resources are going to teachers. The NDEA is here today. I am sure that they will ask that this amount be raised still higher and that's certainly understandable. Section 16, property tax relief sustainability fund is now commonly referred to as the property tax relief fund. This will remain a fund in state government, because legislators have said that they want to continue to keep track of the amount of money that is actually dedicated to the property tax relief. In reality, that amount of funding that is supplied through the property tax relief fund will simply be transferred to DPI and they will send it out under the formula just as they send out the general funds and the tuition apportionment income. It is a funding source, but continues to identify the large amount of property tax relief that you are providing. One of the challenges, as you know that we still would like to address in this session, is how do we dramatically show the taxpayer the amount of property tax relief that you have provided to them on their school taxes. It's simply a matter of showing them, by parcel, the amount of additional tax they would have paid if you had not reduced school mill levies from 195 to 60. That can be done mechanically, and I know that the chairman and other legislators want to come up with something along those lines before the end of the session. (Continues with section 17 and 18). Something for the committee to address as a possible improvement to the bill, #1 the REA factor is based on the per student payment. Because the per student payment is now much larger, the bill inadvertently I think, provides a large increase in funding to REA's. I think you will want to discuss that and set the REA funding where you want it, not necessarily according to what automatically happens here with the formula.

Another area to discuss is the 12% spending growth limit. This comes up again and again. It is not changed in this bill, it is as it is today in law. We have come to the conclusion that through the alternative computation method, virtually all school districts have been able to find a way to cope with this issue and have been able to get through it. I can't guarantee that, so I would encourage you to take input on that and talk about the 12% cap. No. 3, I think the bill sponsor talked about his

amendments to section 8, 10 and 12 are really of a technical nature. They simply are better wording on how the baseline actually works. It makes it easier for DPI to administrate. That is not a significant amendment in terms of policy. There is one item that the bill sponsor decided not to include a specific amount of money for mineral income. That would be disregarded in the formula. Keep in mind, that 75% is taken into account, 25% is not. But the bill originally contemplated a kind of allowance, a dollar disregard for school districts in the formula. I think these matters should be discussed. I believe that some disregard is warranted, but it has everything to do with what the tax committees and the rest of the legislature decides to do with the division of the production tax. As you know, it now goes to counties and is further divided down to cities, townships, and school districts and how that division actually takes place in tax on this bill as well. If you're an appropriations member, I think that coordination there is going to be required. Finally, on the terminology, I think you need to be sure that it's clear, what the difference is between the total entitlements that we now decide by policy vs. the term "state aid". State aid has traditionally meant just the amount that we pay out. You could reverse that and do it the other way around, but I think you need to decide what the terminology is there that you want. On the loan program, which will be explained by Joe, I think you need to look at this from a policy standpoint and consider if you want to perhaps make some loans to a school district that is not defined as poor, meaning like below average valuation if the funds are available. The loan program is designed to favor districts that are low valuation, meaning if they put on a building levy, they will be able to raise less money than an average school district. The courts have said that building levies do need to be equalized; needs to be taken into consideration as you set up systems for buildings. If there's enough loan money available and we've recommended \$200 million, it would be a shame if some district couldn't get a loan just because they were right on the borderline. I think this is an excellent piece of legislation. I think it does well for a number of districts. It has many safeguards, makes sure that districts have enough to go forward and I would encourage you to work with the bill. You're going to hear testimony from people that say it has this problem or that problem, or it doesn't work right here, this will be a problem for me...I would encourage you to listen to those comments and try to assemble and work with the bill. There may be some tweaks that can be done that would make a big difference an individual school district and would not affect the fiscal impact on the bill that much at all.

Rep. Skarphol: Can you give us a little history on why the 12% was selected as the number that school revenue should not be able to increase.

Gov. Jack Dalrymple: It's a history that stemmed from at one time 18% spending cap. A spending cap is the same thing as a levy, revenue raising cap. A couple of sessions ago, I believe, it was lowered to 12%. There is an alternative method available through DPI of calculating the 12%, where you are able to disregard new property and some other things. The question is whether it is really causing problems or not. We'll leave that up to you.

Ch. Nathe: Thank you.

Joe Morrisette, Office of Management & Budget: I will go through the remaining sections of the bill, starting with section 19, which starts on page 18 of the bill, or on page 3 of your bill summary (sections 19, 20, 21, 22).

Ch. Nathe: On section 22, excess levies must be confirmed by the vote of the people. Is that 60% or is that a 50 plus 1.

Joe Morrisette: I believe it depends on the size of the district. I can get that information to you. (Continues with section 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32).

Rep. Dosch: Going back to section 22, as far as the vote of the people. Is there any restriction that this vote of the people be held with a general or a primary election, or are school districts able to hold a special election.

Joe Morrisette: I don't know.

Rep. J. Kelsh: I believe school districts in cities can hold special elections; we just have a bill that will allow counties to do it. They could not do it other than that. Cities and school districts are allowed special elections.

Ch. Nathe: We'll consult with LC to make sure we get the correct information. Thank you. Testimony in support of HB 1319.

Wayne Papke, Mandan ND: Support (see attached #6).

Ch. Nathe: Thank you. Further testimony in support.

Jon Martinson, ND School Board's Association: Support (see attached #7).

Ch. Nathe: Thank you.

Armand Tiberio, Executive Director, ND Education Association: Support (see attached #8).

Rep. B. Koppelman: When you say 50th rank and 47th rank, is that based on the average teacher's salary or the lowest teacher's salary in a district.

Armand Tiberio: It is the average base entry level across the country.

Rep. B. Koppelman: If this were a higher base salary in this bill, for example, as we know there are a lot of school districts that have a lot of steps, variations between the lowest step and the highest step. If we raised it by \$10,000, would you propose removing the lowest 10 steps off the rankings and have it go from a 28 steps to an 18 step system so that people start at a better rate, which would improve our percentage nationwide and probably improve the earning potential of teachers over their career, rather than just increasing the lower and having it move on through the salary schedule at 28 steps long.

Armand Tiberio: I think when we get into those little details, that's why the comment was that this should be subject to the local negotiations with the local discussions taking place between the school district and the teachers.

Ch. Nathe: Thank you.

Andy Peterson, Greater ND Chamber of Commerce: While we are in support of HB 1319, we believe it is a good step in the right direction. It should reduce the property tax burden to the citizens in our state. Many of you know that we fought measure 2, very hard. Measure 2, in our opinion, was a plan without a plan. We committed ourselves to finding some solutions in the interim that would address the concerns of all property taxpayers in the state of ND. We've done that. We feel that this bill, through the education funding piece, will help reduce the property tax burden for all property taxpayers. This bill will not be enough overall to calm those who supported measure 2. We're working on a comprehensive package that includes income tax and corporate taxes as well. Jon Godfread will speak to some of the issues.

Jon Godfread, Greater ND Chamber of Commerce: Support (see attached : 9).

Ch. Nathe: Thank you.

Rep. Bert Satom: Support. The advantages of this bill to me seem very clear from the standpoint that this is much simpler, easier to understand than the current system. I have been in the business a long time. This is the first time that I can say that we had something that was truly explainable at the local level. It integrates equity and adequacy in one simple formula. Those are the two key components of any kind of a school funding system that you would be establishing. You want it to be fair, you want every child to have an equal amount of resources behind him and at the same time you want to have an adequate amount of money that is supporting each of the students across the state. If you are doing it on that basis, then you will base your enhancements on the actual cost of education, so it's not going to be coming in and saying what are we going to do this time, and the percentage changes. You should be able to measure the cost of education when you do it this way. It leaves some homework for legislators between interims as you go forward when you have this model. What would you be looking at: weighting factors as have been mentioned by previous testimony. Weighting factors are not cast in stone. A legislative committee like this would be looking at those weighting factors going forward. The size ones may not be perfect. They may not fit. That may be one of the issues you may even have to look at in transition, when you go from one model to the next, there are always going to be transition costs, and that may be one of the things that this committee may need to look at. Another thing to look at then going forward, after the weighting factors obviously would be what the adequacy amount is. What is the cost of education, what should be replacing our \$8810 or \$9,000. Another thing to look at is transportation costs. You fund that outside the formula and that has received varying amounts of reinforcement depending on actual costs of transportation. It seems to me that you would also then, if you refer to the second to the last section of the bill, which I think is section 31, it probably hasn't been talked about, but it seems to me that you would want to look at what

you're getting for your investment. Section 31 talks about having a review of student performances. This would give you an opportunity to look at that. It seems to me, you would have a creative easy to understand formula, kinds of leads you need to go into the future when you meet again, what costs would we have to look at and it's based on the cost of education, not on rising property tax values.

Ch. Nathe: Thank you.

Tom Bodine, ND Farm Bureau: Support (see attached #10). We believe this is a good bill to fund education and previous speakers talked about how the system is working. We tried to look at the last 10 years of what education has been or K-12 in the state. Basically, these charts in front of you look at what education has done. You can see how education has grown through the state over the last 10 years. We looked at back at 2009 area when the state gave a reduction in mill levy buy down system which everybody within our organization really appreciated, but you can see what happened during the same year that there was a buy down that the statewide budget for education rose by almost \$100 million through the state. When you look at the reduction (red line) is actually what property taxes towards school did. We did have a reduction for the last three years. For the first year, in 2010, that was the first year of relief that was given, but since that time, when there are no caps or limits on that, that over time it continues to climb. The blue line is actually ND foundation aid payments plus property tax relief and in 2009 you can see it was almost equal to the area that local taxes were generated for schools. That year, the relief was given, and it really increased the state's proportion in 2010. That's where the relief came from. We did actually add in areas of transportation, some of those grants as well, so it's about \$30 million difference in that. But as you can see, as a system when you look at education, the relief is getting down to the area but with previous speakers they talked about what we look at is reform to as well. That's basically the last page of the chart. This is basically what property taxes through the state are. You can see what happened in 2009 when relief was given, it brought us down to those areas which were almost back to the same level we were on property taxes in 2009. When the relief is given, other areas take advantage of that relief and taxes continued to grow on a statewide basis.

Ch. Nathe: Thank you. Further testimony in support. Testimony in opposition.

Paul Stremick, Superintendent, of North Border School District: Opposed (see attached #11).

Ch. Nathe: When you worked up your numbers in regard to this bill that was off a worksheet that was provided to you by DPI.

Paul Stremick: Yes and no. The school districts have been trying to get the entire spreadsheet through DPI and it's been very tough for the school districts to get that. These are numbers I have worked by hand. I do believe they are correct. In fact, I tried to contact DPI to verify my numbers yesterday, but I know Jerry's very busy, but I do believe they are correct.

Ch. Nathe: I do take exception with your numbers. You have my school district, Bismarck, the numbers you have there do not match up with the numbers that I was given by DPI this morning. I think we need to make sure that the numbers are correct.

Paul Stremick: The number given to you by DPI has your increased enrollments for that district and I wanted to hold everything the same, so you could see what exactly is happening and also it has the 10 mills added into the formula, so if you take that out, I believe these are the numbers you will come up with and they will be accurate.

Rep. J. Kelsh: In your difference of \$78,000 did you take the hold harmless clause into consideration in that.

Paul Stremick: Yes I did. That's where I believe the calculation is flawed because as you've heard about the formula, there is a 2% hold harmless and a 10% maximum, so when you look at those numbers you have handed out to you, everybody should be between 2 and 10. That does not happen. That's why I believe it is flawed.

Rep. Monson: If anybody knows these numbers, I believe Mr. Stremick does. I can't think of anybody that knows them better than Paul, because he was on the Governor's Commission and a lot of this is his formula. When you come from a property poor district, it maybe seems a lot fairer than where you are finding yourself now. You have two problems with it, basically think the flaw in the baseline calculations and if that were tweaked that would help relieve some of your stress, and then the size factor, where you get 1.02, you think that needs to be tweaked somewhere. Is that correct.

Paul Stremick: Those are the two most obvious ones at this time, where I believe the school size weighting factor that was based on an allocation of \$4,000 per student, now its \$9,000. So it may not be accurate and then when you do consolidate and lose the ability to raise that money, there is an issue there. That baseline number is alarming to me, but it's also alarming even if it did work properly and every district got to their 2% hold harmless, because next year every district will be looking at a 2% increase in TFFR on both sides. In my district, if I get a 2% increase overall, that's about \$120,000 and I can tell you, to cover those costs and any additional costs that will not be enough so I will have to raise taxes to get salary increases.

Rep. Monson: You are figuring your numbers on 50 mills, so you do still have the 10 mills, you still have 12 mills, that would be a way for you to continue operating at the same level or as good a level as you were before.

Paul Stremick: That is correct. I would have the 22 mills of flexibility, but I do believe that we would hit that rather quickly. One thing that I haven't mentioned is North Borders also has declining enrollment and I've always felt that if you are declining you need to deal with it, so that is why I have not mentioned it. Keep in mind, this changes the rules of the game. For example, this year when I lost 30 students; 30 students x \$4,000 is \$120,000, which I made up most of that, if not all of it, my property tax valuation increased and then I had to make some reductions to

give salary increases. On the new formula, if I lose 30 students x \$9,000, that's \$270,000 with very little room to make that up.

Rep. Skarphol: Unless I am misunderstanding something, when you made the statement that if you lose 30 students under this formula, you lose \$9,000 per student. That's not quite accurate from my perspective. The property tax portion of the value of those students doesn't go away. Only the state portion goes away, whatever that may be. So you still have a value that each of those students had that was comprised of top property tax value, do you not.

Paul Stremick: No that is not correct. What happens is the 50 mills is deducted and it's 50 mills regardless of whether you have one student or 12,000 students; it's deducted. So it really doesn't make that big of an impact anymore, where under the old formula, it would have worked. Under this formula, for example, when you get open enrollment students, you're going to get \$9,000 a student. There's no property tax associated with a student anymore. It's minus 50 mills whether I have one student or more.

Rep. Monson: When you're saying \$8810 per student, I think what Rep. Skarphol was trying to get at was that you still have the taxable base. You still have tax money, the state is not paying you \$8810 for every student. Therefore, the state portion that will be coming to you will be less but not \$8810 per pupil. Your state payment is not \$8810, your state payment is \$8810 minus whatever your 50 mills would be, and you still have the 10 and 12 mills.

Paul Stremick: I understand what you're saying, but I believe it will not work that way after the initial funding comes out. That's why it would be great to have those spreadsheets and run the numbers, so we could see exactly what happens. I do believe it will be close to the \$9,000.

Rep. Skarphol: Maybe we can ask Mr. Coleman to address that. I do think it is important that we all understand what the implications are. Let's use the example of Mr. Stremick, and the payment is \$8810 and if his contribution from the state is \$5,000 and he loses 30 students, Mr. Coleman, can you tell me what the net effects would be. For purposes of discussion, he gets \$5,000 per student in state money, he's got \$3810 in value based on local property tax or local revenue. What is the implication if he loses 30 students in real dollars.

Jerry Coleman, DPI: That's a very good question. We would have two components. We have the 50 mills, which is their contribution based on property and so that would be reduced, so they would have a net amount in state aid. So they had their state aid payment, yet they would still have their property tax base, of at least that 50 mills you would assume they are doing, so it wouldn't be a total loss of the \$8810, is how I would see it. They would lose the state portion of that \$8810; however, that shook out for an individual school district.

Ch. Nathe: Did that answer your question.

Rep. Skarphol: As well as I can hope at this point in time. I would like to see 3 or 4 examples and the implications of when you talk about 30 students out of how many, obviously makes a difference. There are some nuances that we need to get into, but not right now.

Jerry Coleman: I am available to work with the committee on all these issues.

Ch. Nathe: Thank you.

Rep. Rust: We were handed a slip here that has our legislator name on along with the school districts in our legislative area. It shows total funding percent change, a difference in dollars and I am assuming that this takes into account upcoming enrollments, going from 2012-2013, is that correct.

Jerry Coleman: The numbers that I would have prepared do have projected enrollments in them.

Rep. Rust: Would it be possible to get numbers if you use this year's funding formula and the projected funding formula, using this year's enrollments, is that possible.

Jerry Coleman: It's possible, it would take some work but it would be possible.

Ch. Nathe: Rep. Rust, what is the reason for that.

Rep. Rust: The reason would be to compare how the current formula matches with the proposed formula.

Ch. Nathe: Thank you. Further testimony in opposition. Neutral testimony.

Doug Johnson, ND Council of Educational Leaders: Neutral (see attached #12 and 12A).

Rep. J. Kelsh: I have a list of 14 school districts in my area, they aren't all in the legislative district, but surrounding there. Not being a superintendent, not knowing exactly what they would need in additional dollars, it all looks like they aren't too bad. Has there been a spreadsheet done for all school districts and are there some of them that have had a disastrous situation show up from this bill.

Doug Johnson: Jerry Coleman sent out to every school district this last Friday a worksheet that we normally use for calculating their dollar amounts that they would get for the 2013-14 year and the 2014-15 year of the biennium. They have had access to that, but we do not understand is exactly how some of those calculations are working to drive some of those numbers for the baseline specifically.

Rep. J. Kelsh: I have gotten emails that some of them would have some pretty good losses. I was wondering if that was based on Mr. Coleman's figures or if they had done some of the calculations on their own. I don't which it is at this point. It sure

would be nice to know the number of losers that we have and what it would take to fix it, because I think that is going to be pretty important. For instance, Kulm is not on here and I know they have great concerns because they are a small district. Their enrollment goes up and down, they are as close as some of the others that they have listed on here.

Doug Johnson: I have not had access to all that information as well. I am just working with the anecdotal information that I do get from our superintendents as they go on a list serve or contact me and talk about that. When you look at what Jerry put out, and what Kayla Effertz gave from the Governor's office, as well as upon requests from our superintendents earlier last week. What you are seeing in that formula is that it does take into account as Jerry Coleman testified earlier, to the number of students that they would have that next year. So if Kulm had a significant drop in student population, you're going to see a significant change from the baseline in 2012-13 to 2013-14. If you have 20 students and you lose 5, you're not going to lose \$20,000, you're going to lose 5 times. You are going to lose \$35,000. That's what capping it within those formulas.

Rep. J. Kelsh: Does it concern you that the hold harmless and the upward cap only in there for two years. Is that a possibility of coming back and saying that we're not going to put the hold harmless for declining enrollments and those school districts are going to have to do something else.

Doug Johnson: It is my understanding that as we have done with the past formulas over the last three legislative sessions, we keep that hold harmless in place until those schools gets on the formula. That's my understanding of that process. If that's not clear in the bill, we should make that clear in the bill, but that is the assumption that we have made as we go forward with this bill, should it be adopted.

Rep. Monson: On the top of the second page, the second concern is the amount of funding that the state is putting into the formula to get the state per pupil payment average of \$9,000 per year for the next biennium. As you went through that, I couldn't help but think you want your cake and to eat it too. You want the state to put in \$9,000 or like the state to kick in more, but you also want to have assurances that you have got the flexibility to make more than adequate use of the property levies available. You've been working on this formula before. I know that you will have winners and losers. I looked at the schools in my district and Paul Stremick is one of my constituents and he is one that doesn't come out as well. On the sheet that I have, he actually is winning. Can you understand where we are trying to increase the state payments, make sure that everyone is adequately funded and still give the property taxpayers a little bit of relief. We just can't make it an open checkbook.

Doug Johnson: I understand your question and I guess we're really not asking for our cake and trying to eat it too. We're saying that as we look at that particular formula, there are some assumptions made for the baseline dollars that are going under that formula; we need to calculate that out. The assumption that was pointed out by Dr. Stremick, is that each school district will be levying a 60 mill, but it could

do that equalization, so to speak in the formula. That may or may not be true, that they are going to do that. But regardless, that is part of the calculation for the baseline. Those are some of the things that I believe we do need to discuss as we go forward with that. I think the other part is, when we're asking for the additional monies, I think it's going to take that, to take care of some of the imbalances that are occurring with the declining school districts for the large loss of money because of the dollars attached to those students, at least to get us through for this biennium so we understand exactly how this formula works. We know that there are going to be some problems with it, no matter what we come up with as a decision through this process. We need to be able to react to that and make those changes. At least, we do not want to have those school districts that are negatively impacted to a point where they cannot operate and function as appropriately, where they had been in the past without some assistance to get through the transition. That's how I envisioned those dollars being used.

Rep. Monson: You're a little concerned too about the baseline calculation and how they are held harmless to that year. I think we're going to have to look at. One other thing I did want to point out to you, that I saw in your testimony, I think it was in the comments from other administrators, dealing with that 12 mill levy and before, the mill levies were very specific, and on the top of page 2, some of those were worded before as non-educational purposes. But this is pretty flexible now. I mean there was technology in there, who didn't have technology needs. We just let's roll those into one bundle and give you total flexibility and we're hoping that's your last resort, but you had the ability before, just to clarify that, these are not just non-educational needs in this 12 mills.

Rep. Skarphol: I'm a novice in this whole educational formula. I understand the oil one very well, but not this one. So if this passes and the school is limited to a 50 mill levy, and the voters of that district decide that's not enough, and they say let's go to 100 mills, and they vote to do it, and as I understand this, they can do that, as long as the vote is substantial enough, what effect does that have on the amount of money they are going to get from the state. Let's say that they have \$2000 in value from property tax and they are getting \$6000 in state payments. Can you in very simple terms help me understand what the monetary effect would be if they doubled their mill levy.

Doug Johnson: Actually it would not impact it if they doubled their mill levy from 50 mills to 100 mills. That probably would not impact the state payment based on this current proposal you have before you. The calculations would be put in there; that would be a choice of the local taxpayer in that community saying we really want to superfund our school district at that high level on our own dime. They would still be getting the same amount of payment from the state based on that formula, based on the 60 mills as I would call it, their fair share going into the equity side of the formula, the equitable side of that formula going in. It would not impact the state payment in my understanding of the bill.

Rep. Skarphol: So you're saying that increase in local revenue would not enter in to the calculation; it would be discounted because it was a vote of the people.

Doug Johnson: It would not be discounted, it just wouldn't be included in the calculation from the state, that's correct.

Ch. Nathe: Thank you.

Tom Nitschke, Superintendent, Kulm School District: Neutral (see attached #13).

Ch. Nathe: Thank you.

Kelly Schmidt, State Treasurer: I am addressing section 19, subsection c. As Mr. Morrisette mentioned, we do have a concern with the mechanics of the repayment in the construction loan program, but in addition to that, unlike the coal distribution which my office does, the coal distribution is a much cleaner distribution in the fact that the oil and gas distribution, which some of you are familiar with is a much more complicated distribution that includes many caps. Our concern is that there may be a political subdivision that hits that cap, which then it becomes very difficult to collect dollars from dollars that are not distributed. I will be happy to work with anyone working on this.

Ch. Nathe: Thank you. We are going to have a subcommittee and the three members of the committee will be Rep. Rust, Rep. Schatz, and Rep. Hunsakor, chaired by Rep. Rust. Further testimony.

Mitch Carlson, Superintendent of Lamoure School: I am here to address one issue. The issue is the baseline funding, which is in section 12. The most concern that I have in multiple schools of mine, is developing that baseline funding. Basically to determine that baseline funding, it's based on the historic tax levy back in 2008, and if it's based on historic tax levy of 2008, our school board elected not to tax very much in 2008, so I do believe that using a tax levy as a baseline payment from 2008 is outdated and not current for the needs of the current school systems that I represent and multiple schools represent. With our baseline payment, my numbers are going to look good, but that's basically because we had a 25 student influx this year. So if you have a 25 student influx this year when you double the student payment rate it's going to look very good, but my main concern is that baseline payment is way down for us because we are getting right around that \$6600 range when some schools will get \$7300, but if we did not have that, my baseline payment would change dramatically. So I do foresee us losing students in the next few years. This was just an anomaly this year, where we are going to come out very well, but down the road in the future is a concern of ours. So that baseline payment is where we have the main concern and I do think that every school should get the 135 baseline payment, which is line 66, which DPI provided for us last Friday. Some schools are getting 118, some are getting 110, and some are getting 135 mills for the baseline payment.

Ch. Nathe: Thank you.

Robert Tollefson, Executive Director, Small Organized Schools: Neutral (see attached #14).

Rep. J. Kelsh: With the drastically reduced amount of mills that you can put on, 10 or maybe 22, do you feel that there is any necessity to leave that 12% in there. I mean, you're dealing with a way smaller group of mills and the 50 don't really count because you have to take them, so you're dealing with at most, 22 mills unless you go to the vote of the people. Do you think that there's any reason to leave that 12% in there.

Robert Tollefson: I would say yes. In trying to give you some rationale, if you're looking at the ability, what's transpired is the high taxable value districts, property rich districts have been cut on two separate occasions. Typically they are smaller, rural districts that face that dilemma. You've now increased the per pupil payment enormously, which small rural districts do not have. It's kind of a flip flop of where people should be and when someone loses a student, it's massive, it's \$9000. How do we do that. In my district, I am part-time superintendent as well in my district. When I figured it out, at 12% going down from where I am now, that would relate to about \$8,000 in generated revenue. We have built in dollars already for the coming session for teachers' retirement. We have committed those dollars. It would be something that would be necessary for future support of those smaller districts. I guess you would have to break it out to say, how would it look if we lost x number of students. I think Paul had shared, he had broken it out for a period of years, and he would be one that would be quite honest in where he's focused on. I think you had mentioned that you had people that had listed a number of major deficits in their districts initially. The problem was there was a couple of different formulas going around that people were trying to address and in that issue, there were different figures that were listed. I think it's necessary to be able to have at least a 12% increase, the 12% is minor.

Rep. J. Kelsh: The question was, do you think we should leave the 12% cap on there or remove it so the situation you said can be dealt with in these smaller districts. Do you think we need a 12% cap or should it just be open, that if you need to put on so many mills to cover the loss of students or whatever, that you would have that ability in your smaller schools.

Robert Tollefson: If you did a combination of things, increasing the weighted unit would be one area that would assist in that process. Number 2, you're saying just to leave that open so that there could be additional funds supported. We would always like plenty of options. I don't know that's what you're striving for as a group.

Ch. Nathe: Thank you.

Brandt Dick, Superintendent of Hazelton-Moffit-Braddock and Underwood School District: Neutral (see attached #15). One of my districts comes out pretty good and the other one is a challenge. A lot of these issues have already been mentioned.

Ch. Nathe: I have a question about the 12% cap and the subcommittee is going to take a hard look at that. What would be an acceptable number with a range, what do you think you would need for your school district.

Brandt Dick: I tried to run some of the numbers and I think if you look at 12% of 110 compared to 12% of the 60; if you upped that back to 18%, I think that would be an acceptable range, because the numbers come out pretty close at that level. I would recommend an 18%, which would be a rough estimate.

Rep. J. Kelsh: You mentioned the 60 mills or the 72, that you can only have 12% on them, but wouldn't the 50 be discounted, wouldn't it only be on the 10 or the 22. I'm not sure if I understand that. The 50 are part of the payment, so would they be considered in the 12% or 18%, or would it only be the 10 or the 22, whichever you use.

Brandt Dick: The initial numbers that we received, we were held harmless at the 102%, so in a sense, that really wasn't part of that. If our situation, I don't think that would be a factor. But you are correct, for the 50 mills. That is a concern, especially with the 3% cap, as our valuations have increased and at HMB, our valuation increased over 20%, so that will be figured into those 50 mills. The local share will have to go up. For a cap at 3%, 12% or 18%, we still lose some of those abilities to raise additional revenue.

Ch. Nathe: Thank you. Further testimony. We will close the hearing.

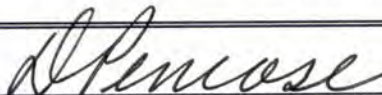
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
February 13, 2013
18870

☐ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: Let's take a look at HB 1319. Rep. Rust chaired the subcommittee, along with Rep. D. Johnson and Rep. Hunsakor. We'll start by having Rep. Rust go through the bill on a higher level, nuts and bolts. If we have any questions to make sure you understand how the bill works and any other concerns. Then we will work through the amendments that the subcommittee worked through.

Rep. Rust: HB 1319 essentially establishes what I would call an adequacy payment. For the first year, that's \$8810. The philosophy behind this is that every school should have something in this, so they should be levying 50 mills X their tax evaluation. That's the base. Some schools get additional in lieu of revenue, it might be oil and gas production taxes, it might be flood money, tuition, any amount so there is some in lieu of. The state then would make up the difference, which would bring you up to that \$8810. In an ideal world, if you're just starting this program, everybody would be there. However, what's happening now is because there is such a discrepancy between the taxable valuation per student where some schools have a high amount of tax valuation per student and others have a lower, that doesn't happen. What happens is that you have some schools at 50 mills, in lieu of is here and the current formula brings them here (he was drawing on the board). For others, those 50 mills bring in more, in lieu of and the current system brings them to there. So if you want to have an equitable system, you need to give this money, and need to take away from these people to get them to the line. Now everybody likes to get money so nobody would complain if you gave them a windfall. Nobody wants money taken away from them. It just doesn't seem fair to take money away from people because they are counting on this money, how do they do it. In the old system, we would call this a high valuation offset, this would be the equity part in the old system. If you were here, you were on formula. The Governor's bill brings this group up, it sort of holds these people harmless and as time goes along, during the 2nd year you're at \$9092. As the number raises, those people are brought up, the top ones are eventually be at that line, and then you have pretty good equity. These are what you would call property poor school districts, these are property rich districts and this group falls on formula.

Ch. Nathe: This is for the biennium, so \$8810 and \$9092 we come back in next session and we work off that \$9092 number and as a legislature we decide what that number will be going forward. The legislature will have a hand in setting that line.

Rep. Hunsakor: Looking at this, many schools are emailing us and saying we've still got some problems yet. In 2 or 4 years, do those questions get resolved as everybody gets closer together.

Rep. Rust: I can't tell you how long it is going to take. You have some schools that have a ridiculous amount of dollars behind each student. The top school valuation per student can be separated by tens of thousands of dollars. If you have a small school, got lots of property, not very many kids, you can have a pretty healthy taxable valuation behind each kid. You have a large school district, lots of kids, you start dividing into that number and all of a sudden your number is lower. I'm not telling you that we are going to be able to reach nirvana.

Rep. Hunsakor: Does it improve a little bit.

Rep. Rust: Yes, these are going to come closer together.

Rep. B. Koppelman: I understand how they came up with the \$8810 and \$9092.

Rep. Rust: The Picus report with the inflation factor that was done in 2008.

Rep. B. Koppelman: I look at this bill as a fundamental shift, something we're going to stick with.

Rep. Rust: I don't know if I agree with that. We dealt with the education bill and changed it in 2007, 2009, 2011 and will get changed again in 2013. I think we want to get there but I'm not sure it will.

Rep. B. Koppelman: If that's the purpose, which is what I hear from the Governor's side of things, then how long are we going into the future, next biennium, if the legislature is going to be able to set that new number, \$9092 and later let's say \$9300, or something like that. The legislature is going to have their idea of what they think reasonable growth is and there are probably going to be some ways you can track inflation, which in some years is only 1.5-2%, then you're going to have the types of things that the Picus study looked at. How often are we going to have to go back to the study drawing board to come up with a plan to present to the districts that will actually adequate, not just what the legislature thinks.

Rep. Rust: The bill, if you notice, the second to the last section deals with a study and a report back to the legislature. It does deal with that. As far as how long is this going to take, let me give you some examples. In one year, not that many years back, I want to say 2 or 3 years ago, the taxable valuation of Stanley Public School District doubled in one year. You really have several moving parts; they are all moving and you're trying to shoot at a target that isn't there yet. All those components are changing as taxable valuations get added in, when student numbers get added in, in lieu of money gets added in. You have a changing system. I don't know how long it's going to take to get there, but I do know this, that the whole object of the funding formula is to get more people on the formula. You have people

that aren't on the formula at the low end, people at the top end and people that are. You want to squeeze those to get more people on the formula.

Ch. Nathe: I am handing out a sheet that shows the effects of 1319 on property tax (see attached #1). You can see how it's broken out in terms of dollars being saved. Taking a home that's \$180,000, the total tax liability, which is the average for a property in the state of ND, the average tax for that house would \$3135. Under the current MLRG program the tax relief would be \$608. Under the bill before us, the property tax savings would be an additional \$486 on top of the \$608. The total savings under 1319 for that homeowner would be \$1094 which equates to 35% reduction in property taxes. You can see, as you go down, each section is pretty close to the 35%, some areas may be a little lower. This is property tax savings and this is where it goes. Rep. Rust will explain the amendments and we'll have discussion.

Rep. Rust: Amendment 13.0278.02009 (see attached #2). This is the bill with the amendments already made. On page 1, this is the teachers' levy for teacher retirement, TFFR, the school's levy for TFFR. You will recall that there are about 18 separate mill levies right now that boards can levy in addition to their general fund and the Governor's plan does a couple of things. It basically forces you to levy 50 mills. You can add another 10 to that, so now you're at 60 mills. In addition to that, there are 12 mills in the Governor's budget that combines all of those mills that I've been talking before. TFFR was one of the 18 that gets combined into the 12 mills. That's what page 1 does. You are essentially taking it from a separate levy to the 12 mills, or if you can do it in the 60 mills, you can do it either way. You don't have to do it in the 12.

Rep. J. Kelsh: Now does that lower the amount when you go from 17 different mill levies to 12. Is it lower than the number of mills that can be levied.

Rep. Rust: I don't believe anybody is there. There are, in the Governor's plan, 50 mills and can go an extra 10 to 60. Then there is the 12 mills. In addition to that, the Governor left in it that you can still levy to 3 mills for special reserve. A lot of schools have that. That's in addition to that. In addition to that, there are schools that have a building fund levy that has been retained. It has not been done away with. In addition, there are schools that have passed bond issues that need a sinking and interest fund and that has also been retained. When you add up those 18 mills, I don't know if anybody ever gets to them.

Ch. Nathe: I think it was a way to kind of clean up all those mills. Some of those mills weren't being used, were very outdated mills. Some districts were kind of using these mills kind of questionably as a way to raise money so it's one way to clean it up and consolidate it.

Rep. Rust: We identified 8 items to talk about in our committee, and actually one of those items got expanded a little bit and I will touch on that as well. On page 8, is the special education factor, and our committee did not address that. The special education goes from .079 to .082. That may be a point of discussion at some point

along the line. One of the areas that we talked about was the REA weighting factor. When you go from a foundation aid payment that you have now to \$8810 and if the REA factor remains the same, it doubles what the REA is getting and there seems to be a rather universal agreement that this was probably too much of an increase and in talking with superintendents and other stakeholders, it appeared that what they had was pretty close to what they needed, so that factor was cut in half. That would then give them a payment of \$4405. I'm on page 9, line 5.

Rep. Wall: The REAs, where does that compare with where they were last biennium.

Rep. Rust: It is really close, it might be a little more.

Rep. Wall: Is this a decrease in the increase, is that what you're saying on the REAs.

Rep. Rust: Yes. Do you know what the REA got for a payment.

Jerry Coleman: It was $.004 \times \$3980$ would have been the effective rate per student that they would have gotten and this will change it to $.002 \times \$8810$, so you can make that comparison.

Rep. Rust: It will go up, right.

Jerry Coleman: I believe it will go up a little bit.

Rep. Rust: It's really close, we felt that there was a little increase in there.

Rep. Wall: Going back to page 8, I thought I heard you say that there wasn't a change in special education.

Rep. Rust: Yes there was a change, it went from .079 to .082, but the committee did not deal with that subject. It was in the Governor's budget, we left it as is. We did not deal with special education factor.

Rep. Heller: When you said that the .002 brought it to \$4405, what does that mean.

Rep. Rust: Well, \$8810 is the factor now. The first year of the biennium, the amount is \$8810. So half of that is \$4405. Moving from .004, the subcommittee moved it to .002 was so that there would be a slight increase but not an almost doubling of the money going to REA.

Rep. J. Kelsh: On j on page 8, was that language on the original bill when we went from 100 to 125 students enrolled, you get .10 times the number of the enrolled average, or is that original bill, or did the committee change that.

Rep. Rust: We will change that. I'll show you where that comes. I'm trying to move through the amendments. I just dealt with the first thing, the REA weighting factor. The second area we dealt with, had to do with terminology and in particular using terms like, page 11, section 9, we use a term like per student payment rate. That can

cause some confusion because in the past, the state gave a specified dollar amount to the school. You know that this system here is different because that amount of money that's in the state there, will change depending on schools' 50 mills and in lieu of. There will be a different amount that's given. When you start talking per student payment rate, people are still locked into a certain dollar and they will think that it's \$8810 that the state is going to pay everyone \$8810, and that's not true because there are three parts to getting there. We are kind of toying with an idea of how to change the wording so that we wouldn't leave any confusion and in the end, to eliminate section 9, so the wording wasn't there and to incorporate it into those dollar figures of \$8810 and \$9092 into section 11. On page 11, because of the two different years that they are talking about, the REA factor was done the same thing. One is for years 13-15, etc. It needed to be in there twice. Starting on page 11, and probably working through pages 14, this amendment really deals with two things. School size weighting factor and also small but isolated schools. The committee did the school size weighting factor went to 185 kids. This amendment drops it to 125. So if you will look at it, you will see in green on page 12, weighting factors on items k, start at 185 and goes down to 125. Those schools that have between 185 and 125 will see more dollars.

Ch. Nathe: This came as a result of the testimony we heard last week from some of the smaller school's concerns. The subcommittee tried to address those concerns and I think they have done that in this amendment.

Rep. Rust: In addition it took the small but isolated schools, which were capped at 100 and brought them up to 125, and that's basically item (a). So item (a) brings them up to, and it is .10 larger than what it was. It went from 1.25 to 1.35.

Rep. Schatz: The increment is 5 from 125 to 175 but then it jumps to 15 from 185 up to 260. Then it jumps back to 10 and 5.

Rep. Rust: What are you talking about. The writing in black is already there in law. We are being responsive to those schools between 125 and 185 to get them some more money. We are being responsive to those schools between 125 and 185 to get them more money. So now I've taken care of item 3 which was school size weighting favor and in addition we tossed in a little caveat for the small but necessary schools to bring them up from 100 to 125.

Rep. Meier: How many schools are we actually looking at when we're addressing this.

Rep. Rust: I don't know, there aren't as many as you think. I want to say 15-20.

Ch. Nathe: I think it's a fair number, probably around 70.

Rep. Rust: I am talking about the small and isolated schools, maybe about 15. Then the other ones would bring more.

Rep. Rohr: Since the bill has now changed some of these factors, will we be getting new charts relative to our district.

Ch. Nathe: Yes, and I will hand it out to all the committee members before we leave to show you what effects of 1319 will have on your school districts.

Rep. Rust: Page 14, we eliminated section 9 because of the wording and confusion about what per pupil payment means, and we incorporated section 9 into section 11. There you will see that \$8810 and \$9092. Just to make sure, remember when I was at the board talking to you about that, section 11, 1a, talks about the weighted student unit; 1b on page 15 talks about the 50 mills; 1c talks about the other in lieu of. That's what you subtract to get that state part. That's where that comes from. On page 15, line 5 there was after "mineral revenue in excess of \$2 million" nobody really wants to admit to having put that in there. Essentially it's not all that relevant because no school gets \$2 million. In fact, I think the largest amount of money that goes to the counties is around \$1.6 million. For some reason or another that got in there. In essence what happened is that the committee removed the "in excess of \$2 million" so that mineral revenue is consistent with the other 8 items in its deduction of 75%. All of those in lieu of monies are treated equally; 75% is subtracted, 25% schools get to keep using for whatever those specific reasons might be. Next item, is page 16, which deals with baseline funding. You will notice in the original bill, basically it's all crossed out and we did the following. The per weighted student unit, on page 17, #1, line 16, talks about per weighted student unit. That is going to be determined by basically by taking your weighted student unit x \$8810. You will add the state aid that is received in 2012-13, that's b1 that is by adding the state aid received in 2012-13. Then you either take the mill levy reduction grant that's received, you increase that by the amount raised by the 2012 general fund levy but cap it at 110 mills. You add in also long distance and educational technology, you add in alternative education and the 75% of in lieu of. You add those items, divide by the number of weighted students and that will give you a baseline funding per weighted student. Why do you need that. Because that's how you figure going forward. You need a baseline. When you figure your new payment, what happens is that you want to guarantee schools that they are going to guarantee them they will get at least 102% of their baseline but no more than 110%. In other words, you don't want to have people losing a lot of money and you don't want people gaining a lot. That's a hold harmless. There is a second hold harmless on page 18 that guarantees them 100% of the district's total baseline dollars. You take the per weighted student, add in those items (amount of money it got, the mill levy reduction grant, the amount of general fund it raised up to 110 mills, the long distance ed., the alternative ed., the 75% of the in lieu of) add together and divide by the kids you have that gives you a baseline weighted student unit. Now you multiply times 8810 and your hold harmless is that it will give you at least 102% of that, but no more than 110%. Further, there is a hold harmless that tells you that you will get 100% of the dollars generated by the state and local sources that you did in 2012-13. There are two basic hold harmlesses. One is on per student basis and if that one still gets you some way or another, you are guaranteed to at least get 100% of what you got in state and local match this year. Item 3 is for the next year, which gives you an additional 2%, hence it is 104% and wants to get you that extra ten, so it's 120 or

again a hold harmless if those fail of at least getting the same number of dollars as your current local and state matches. That's the hardest part of the formula to understand.

Rep. B. Koppelman: So on both of those hold harmless where you say 100% of the districts total baseline funding that for each year is the 2012-13 total local and state dollars. That doesn't inflate at all for that 100% of the total baseline funding.

Rep. Rust: I think that is correct, yes. In other words, for two years in a row, the world's worst scenario for you is you are going to be held to at least as many dollars as you are getting now. I don't think that happens very often, but it could. Essentially, you find that weighted student baseline average and then you figure out what your dollars would be and make sure that you get 102%, but not more than 110% and if those don't work out for you, you're still guaranteed 100% of what you got in state and local match.

Rep. J. Kelsh: Can the formula do that to you, even though your student numbers stayed the same or does it have to take dropping enrollment to only get the 100%.

Rep. Rust: If your student enrollment is dropping significantly, and your taxable valuation is increasing, then you're probably going to get saved by the 100% hold harmless.

Rep. J. Kelsh: If the student numbers stayed pretty static, the formula won't give you less money than you go before, is that accurate.

Rep. Rust: Because you're either going to get 102% of the baseline or you are going to get 100% of what you got before.

Rep. J. Kelsh: The formula itself can get you with a static number of students where the hold harmless has to kick in.

Rep. Rust: Yes.

Rep. Heller: Is there any way you can do an example so we know what is going in and what's going out.

Rep. Rust: I think now is the time to hand out the sheet (see attached 3 and 4). In the first column, is the county/district number, name of school district in the second column, current ADM in the third column, fourth column-when you run it through, we have a current formula and the weighting factors, you end up with a weighted student unit. Next column is the general fund levy and as you can see they vary pretty widely. Let me tell you why they vary widely, because those that have a small one are property wealthy, those that have a large one are not property wealthy. The next column that is below \$8810, you get that number by multiplying the WSU (weighted student units) X \$8810. The 50 mills is the local contribution from property tax and is the column under the 50. The column below the 75% is that "in lieu of money". If you look at Hettinger, they get \$3.255 million subtract out the 50

mills, add in the 75% in lieu funds, their state payment is \$2,768,394. Notice that they are pretty close to on formula because they do not go over the 110, so there is no subtraction, they do not fall below 102% so there is no addition and you have a state payment. Your last column is what they would get in state aid and if you're on formula you're going to get the same thing as the total formula amount which is under \$8810. The next column basically breaks it down for you as how schools differ from that \$8810. The last column would give you the current money that they are getting. So if you want to know the percent of change you go to what the total state/local funding is, divide by 2012-13, and you get percent of change. If there is a zero there, you know that they are either losing students or because you have a high valuation. I will tell you that moving that total state/local funding column does take into account the changes in student numbers from this year to next.

Ch. Nathe: What column is that?

Rep. Rust: The column total state/local funding does take into account if you've gained or lost students, under HB 1319. You can see some schools that go up and some of it has to do with the fact that they have had a pretty good increase in students and that you would find on the last page. For instance, on the last page, Tioga was up 21% because they picked up 98 new students this year, so that would help them out. Without that 98 students that number wouldn't be nearly that high, probably be at zero. That gives you a real life example. As you can see this part, page 17, you are determining a weighted student number which actually is the third column from the left and you will see in there where we've got the amount of money you receive from the state. You will see in there the 50 mills, the 75% in lieu of and then you will see there the 102% and 110%, and they are in there. When they figure this out, they will look to see where your payment is. Those people that in parenthesis a number on their transition maximum that means that they exceeded the 110%. Because you remember you can't go above 110%. Those that have a number to 102%, that means that you need to give them some money to get there. They squeeze it between 102% and 110%. If all else fails, you're going to get what you got the previous year and that's reflected in there.

Ch. Nathe: That is it in a nutshell.

Rep. Rust: Ms. Thomas, Mr. Coleman, to this point in time have I represented anything in that bill inaccurately.

Ch. Nathe: No. Looks great.

Rep. J. Kelsh: Now this talks for the next two years.

Rep. Rust: This is for the first year.

Rep. J. Kelsh: Is this permanent language or will this all have to be redone next session.

Ch. Nathe: This is permanent language.

Rep. Rust: Nothing's permanent; we had permanent language in 2007, 2009, 2011.

Ch. Nathe: If we want to change things next session, we will change it, but this will be the language.

Rep. Rust: We would like this to become permanent language but you know that along the line, we have those people who have really ingenious methods of changing what is permanent language into something else. Hopefully this would become permanent language.

Rep. Heller: On page 17, line 26 and 28, does every school have these long distance learning and educational technology levies. I've never really heard of them. What is that?

Rep. Rust: Currently the state law allows a school district, by board action, to levy up to 5 mills for technology. Quite a number of schools do that. Then remember, we started an alternative education program; there aren't very many that would have that. My thought is that those who have an alternative education program are probably more or less the larger schools. The ones that might have technology might be smaller schools.

Jerry Coleman: There aren't that many, it would be the larger schools that would have the alternative program. The reason that the alternative program and technology levies were combined in there was because they're educational levies and they are going to be subject to that 60 mill cap so that the levy authority goes away, so they are included in their baseline. That is the reason for that.

Rep. Rust: There is one other column on here on the table, and that is the EFB offset (that's ending fund balance). We do have a few numbers of schools that have an ending cash balance that's greater than 45% of their expenditures plus \$20,000. The classic example of that has been Billings County schools. We're saying that if you have that much money, then you probably don't need state aid. I don't believe that Billings County gets state aid, because of the other in lieu of and other dollars they get. They get so much money that the state doesn't give them a check. I think the same thing is happening to New Town when they got that large amount of flood monies, they did not get a state aid payment because they had so many other dollars in their pocket. If your ending fund balance is over 45% of your expenditures plus \$20,000, you are going to get that subtracted off and if that amount is large enough, you are going to get zero. Again, I am continuing on with the amendment, not the bill. So far we have covered the REA weighting factor, which is #1, #2 is that I have covered the state per pupil rate terminology; I've covered school size weighting factor and we threw in a caveat of small, isolated schools because it is in that same group. I've covered mineral revenue in excess of \$2 million that has been eliminated. I've covered baseline funding, which is the 5th item and explained that to you. I am now going to go to the 6th item that we dealt with and this is on page 24, no go back to page 22, the Governor's plan includes loans for school construction. So if you look at page 22, it takes \$50 million from the coal development trust fund and adds

to that \$200 million from the strategic investment and improvements fund for low interest loans for schools. The concern at the presentation of this bill was that some schools would be locked out and not able to access. Let's suppose a school qualifies for this loan, the way it was originally written, was for the State Treasurer to subtract that money, but the state treasurer doesn't send schools any money. So, we restated that the county treasurer, which is the person who gets those oil and gas production tax dollars and distributes them to the schools, that the county treasurer, before they go to the schools, will subtract that money out and send it to the state treasurer. You have \$250 million, schools can apply for loans. Their security on that loan is the oil and gas production taxes that they receive. The bill had originally said that the state treasurer should subtract that money out, but the state treasurer doesn't send any of that money out to begin with, so we changed it to the county treasurer will subtract that money out and give it to the state treasurer who is the one that is loaning the money to them for the construction. So instead of the state treasurer you are making it the county treasurer.

Rep. Heller: How come that isn't reflected that there were any changes there then, if you change that?

Rep. Rust: It is on page 24, on line 17, it changes it to county treasurer, dollar amount and then it tells you that the transfer is withheld and sent to the state treasurer. So that addresses the item that the state treasurer had. The next item dealt with those schools that they thought might get locked out from getting this money and that's not a factor. If you go back to page 23, that school construction loan has categories where the interest rate is more desirable. We actually dealt with this bill last legislative session and passed these numbers that are in there. If you notice on line 1, if it's less than 80%, line 2, equal to 80% but less than 90%. Here is the reasoning; they thought that maybe some of these schools wouldn't qualify because of their taxable valuation per student, but if you will notice on line 17, it says is equal to at least 19%. So you can be a 100 or better, you would still qualify for one of those loans. That was the concern, that some schools might be locked out and wouldn't qualify, but since the language is "at least 90%" that means there is no cap and no schools locked out. Those are the 8 items that we talked about.

Ch. Nathe: Can you speak to section 21 on page 24.

Rep. Rust: That is the change from the state treasurer to the county treasurer.

Ch. Nathe: Page 25, line 1.

Rep. Rust: If you look at that, it's just some wording changes. Remember we have those 18 levies, one of them is that if you have a recreation council in your community, a recreation fund, that fund can be established by one of three ways: people can petition through the school, people can petition through the city, or through the park district. In Tioga, they happen to do it through the school, and as a result we actually end up with 2.5 mills less money than what we would like to have. It would be much better for the school if it were done through the park or the city. Because when we get capped, those 2.5 mills are in that cap. This is one of those 18

different groups and it puts it in the 60 or 12 mills. I think there is another one in there that basically deals with the repealer. On the last page, there is an amendment there that because you have taken care of that in another way, that section isn't needed.

Ch. Nathe: Let's take care of the amendments and then get to the discussion on that.

Rep. Rust: I move the amendments (see attached #6).

Rep. Schatz: Second the motion.

Rep. B. Koppelman: Before voting on the proposed amendments, do we know how it changes the price tag.

Ch. Nathe: Now we can talk money (see attached #5).

Rep. Rust: There are some things in here that have changed the price tag, actually a little more than we would have liked to have changed the price tag. First of all, when you decrease the amount of money for the REA factor that's actually going to be a savings. There will be a benefit of a negative \$3.78 million. Next item, school size weighting factor. By trying to help the schools between 185 and 125 over the biennium, it increases the number of dollars that we will spend by \$7.7 million. The small, but isolated schools, we brought that from 100 to 120, increases it by \$1.3 million. The mineral revenue in excess of \$2 million gets added in and taken out, it is a zero. Baseline funding, by changing what we did from the Governor's original plan adds a plus \$4.8 million. Now it turned out that the in lieu of dollars was not in the Executive Budget and that really is a savings of a minus \$2.9 million. Evidently they forgot and put that in. That's the in lieu of local dollars. The increase in the special education factor actually hadn't been included in the Governor's budget so even though it wasn't part of our amendments; it's a plus \$5.6 million. Then, at the end of the year, Jerry Coleman, from DPI, doesn't want to get to the end of the year and say that we don't have enough money in this fund to give you your full payment, so I'm deducting some money out, you would like to have a little cushion in there, I think it's called "planned budget variance", that's \$4 million. That's a total of \$16.8 million in addition to what was in the Governor's plan.

Ch. Nathe: Attached #5 pretty much explains everything that Rep. Rust just went through as far as the proposed amendments and their effects on the bill.

Rep. Rohr: When you have that variance, is that a standard that you uphold, like a window, or how do you base that on.

Jerry Coleman: It's just basically guess. There is a lot of stuff in the bill that we don't know about. Factors were changed, we project students forward and it is much better to have a little bit of a cushion so that we can absorb that rather than having to pro-rate everybody's payments down in the second year.

Rep. Rohr: Can you give me a percentage of what that is.

Jerry Coleman: The figure that I am suggesting is \$10 million out of \$1.787.4 billion, so it's way less than 1%.

Rep. Rust: What happens to that plus \$4 million if you don't need it?

Jerry Coleman: As the bill is designed here, it will go back into the state's general fund.

Rep. Rohr: Do we need to put that into the bill that the money needs to be redirected into the fund.

Ch. Nathe: No. If that is a concern, that can be addressed in Appropriations.

Rep. Rohr: Rep. Rust just indicated that it's not a given based on the existing bill.

Ch. Nathe: That is something we can address in Appropriations.

Rep. Meier: In previous sessions, we usually had funds available to address this. What was our fund available last session?

Jerry Coleman: Since this is a brand new formula, it's usually whatever cushion we would have would just be in the numbers themselves, and this would actually be in the numbers themselves, except that the numbers have changed since the Executive Recommendation.

Rep. Meier: So it is additional, I was thinking we always had a little bit of cushion.

Jerry Coleman: If we want to have a comfortable margin, or at least a more comfortable margin, there are no guarantees in this, that \$10 million is the number that I had in mind that we wanted to cover the discrepancies in the estimates that we're using.

Rep. J. Kelsh: I know people met with the Governor and I don't know if all these figures were available at that time, but what was his reaction.

Rep. Rust: His reaction was that he would have liked to have that number be closer to \$10 million. But at the same time, he is well aware that this is a change in the way we are funding education. The one thing that I haven't said in here, that when you look at the bill, is that this bill does two things. One, it funds elementary and secondary education, but the second thing that it does is, notice we are dropping those mills to 50 mills where they can go to 60 mills. So a huge part of this bill is property tax relief, because currently those schools are at 110 mills. A real big item for the Governor is that you have property tax relief going to people. As a result of that, and knowing that he is comfortable with these numbers knowing that this is a work in progress and as we move through the House, Appropriations, Senate and

Appropriations that those numbers are probably going to change again and so he's comfortable in these numbers so that the bill moves along.

Ch. Nathe: The Governor had expressed that during the hearing last Monday. He knew that the bill needed tweaks. Your subcommittee has addressed those adjustments and as we all know, bills will morph into different versions as this bill moves along.

Rep. J. Kelsh: I still have concerns about consolidating those 17 or 18 mill levy possibilities down into a 12 mill levy. I don't know how many mills we are losing in that process.

Ch. Nathe: A lot of those mills weren't even being used and they were outdated. That was the reason why they combined them as they did.

Rep. J. Kelsh: I know that. I'm just wondering if there is any possibility to put some school districts in a bind because it's all down to 12.

Ch. Nathe: The emails that I've received didn't mention those, they had more problems with the baseline funding, which the subcommittee addressed. All the concerns were heard on Monday during the hearing, the emails that I've received, the superintendents that I talked to in the hall, that subject never came up; it was always about baseline funding.

Rep. Rust: I think Jerry Coleman could tell us if there are any schools that are going to be bound by those 12 mills.

Jerry Coleman: I probably would have to look at a schedule and there might be an outlier out there, but I am not aware of any that would lose authority.

Rep. Rust: I did not see any either. We looked at the sheet, and most of them are in that 1, 2 or 3 mills.

Rep. J. Kelsh: I just wanted to be comfortable with it.

Ch. Nathe: Any further questions on the 13.0278.02009 amendment. We will take a voice vote. Motion carried. I have another amendment that we would like to take into consideration here, 13.0278.02012 (see attached #7) and we will hear from Anita Thomas.

Anita Thomas: In the event that Jerry Coleman ever leaves us, we want to make sure that we have in the code the exact concept that he is using to determine baseline funding and ultimately the state aid payment. As you can imagine, that's a very difficult thing both to articulate and put on paper. Essentially, this would start on page 14 of your marked-up version and we tried to make it easy by saying, ignore those lines and plus in these. We are going to start with the concept of the baseline funding and we're saying that in order to establish the amount of state aid that is payable to each district, the superintendent has to determine that baseline funding.

right now. That's their state aid during 2012-13, the mill levy reduction grant, the amount equivalent to the general fund levy or that raised by 110 mills of the general fund levy, whichever is less. The long distance learning and education technology levy, the alternative education program levy and 75% of the in lieu of revenues and that language is spelled out on the bottom half of page 1 of the amendment and top of page 2. To get that particular dollar amount in order to determine what the baseline is per weighted student units, subsection 2 says do the division. Beginning with subsection 3, we're looking at what this would mean for 2013-14 and we're saying that the superintendent will multiply the district's weighted student units by \$8810. Unlike the prior version, this was the part where Mr. Coleman had indicated that he wanted to make the adjustments with respect to the 102% and so the superintendent has to ensure that the cost is at least equal to the greater of 102% of the district's baseline funding per weighted student unit multiplied by the 2013-14 weighted student units or 100% of the district's total dollar baseline funding. The cap, as Rep. Rust had mentioned, is at 110%. If you move down to the bottom of that page, in (b), it addresses 2014-15 funding. That dollar amount is \$9092 and the adjustment levels would be at 104% of the district's baseline funding per weighted student unit multiplied by the district's 2014-15 weighted student units or 100% of the district's baseline funding as established in subsection 1. During the second year of the biennium, the cap is at 120%. So once that entire calculation is done, the superintendent subtracts 50 mills multiplied by the taxable valuation of the school district and subtracts 75% of the in lieu of revenues and that is the amount that the school district is entitled to under the formula.

Rep. Rust: I move amendment 13.0278.02012.

Rep. Meier: Second the motion.

Rep. B. Koppelman: When it comes to the technology levy, I know West Fargo levied 5 mills. If that's part of the baseline now, in essence the state and local general fund levy is going to be paying for that now. Are they able to then again levy more technology now within their 12 mills? Are we giving them a double dip there on technology?

Ch. Nathe: This amendment is not about the technology levy.

Rep. B. Koppelman: But this amendment spelled out what's in baseline funding, which talks about the levies.

Ch. Nathe: They will be able to still levy it.

Rep. Rust: Under the 12, they could still levy it. So if you're worried that they are going to lose that levy, they do not. All of those 18 levies, most schools probably levy 1 of them, maybe 2. They don't get close to 12. They can still levy up as part of that 12 mills.

Ch. Nathe: Any other questions on the amendment. Voice vote. Motion carried.

Rep. Hunsakor: I have another amendment, 13.0278.02011 (see attached #8). If you're working off the amendment, you would be on page 16, if you're working off the handout that has been marked up with the changes, you have to be on page 21. In putting this amendment together, I felt that discussion needed to be put on the table because we want to have the very best teachers in the classroom. I feel that with the current salary schedule for teachers, many of our best teachers are not going to be with us. There are better opportunities elsewhere. When the dust settles, we want to have the best possible education for our children. Sometimes we are losing that because of the pay that our current teachers are getting. This particular amendment, as you notice, would take and raise the base, which was \$22,000, and then the Governor's bill raised it up to \$27,500. This would raise it up to \$31,000 for the first year and \$32,000 for the second year. That's a huge jump, I understand that. I also understand the position that it would put schools in that currently have teachers who are teaching at \$28,000. It simply means then that each school that has a lower base for their teachers, would have to pay another \$4,000 in salary; if they 20 teachers on the staff, that's going to take another \$80,000 because even the veteran teachers who are over \$32,000 would probably have to be raised for the same amount as those that were under \$32,000. That could create a problem for schools if they are a little short of money. I understand that. I also understand that the huge jump from \$22,000 all the way up to \$31,000. At the same time, I also understand that \$27,500, we may be losing some very good teachers. Let's say we're at \$27,500 and a teacher loses approximately \$3,000 through taxes, bringing them down to \$24,500, there are 12 months in a year, so they have to live on \$2,000/month. They have to pay for housing, which in oil country could run up to \$1,000/mo.; but let's say \$600 for rent, a student loan, etc. they end up with \$1200/month. There are 30 days in a month, so they have \$40 left, one tank of gas. They have to think about insurance, clothing, dental and the list goes on. I know that it does present problems on both sides of the issue, I just feel that this discussion has to be had, and consideration has to be given to wanting the best teachers possible in the classroom and we're losing some of them. How do you make it on \$27,500/yr. if you have a family? I taught in ND for 35 years. I was at Newburg, the principal, the head basketball coach and I taught six classes every day. I left ND to go to California, at a \$35,000/yr. salary. I taught 6th grade math, that's it and I got a raise, after 35 years and being principal, head coach and teaching a full schedule. I brought this forward because I felt that the ND teachers needed a voice in HB 1319. I move the amendment, .02011.

Rep. J. Kelsh: Second the motion.

Rep. Rust: We had met a number of times and I think it was in the last meeting when this issue was brought forward to the subcommittee as to whether or not we would address it. Basically, at that point in time, we had kind of exhausted our agenda that we were going to talk about, and the next thing was that is an item that felt was something that would take more than just a little bit of time to explore, to get information and input on and so decided not to tackle that because it wasn't part of our charge to begin with.

Rep. Rohr: Your amendment would raise the salary baseline by \$9,000 the first year and by \$10,000 the second year. Because it is going from \$22,000 to \$31,000.

Rep. Hunsakor: That's correct.

Rep. Rohr: And then \$22,000 to \$32,000 the second year.

Rep. Hunsakor: Yes.

Rep. Mock: How many school districts would be impacted by the Governor's proposal raising the minimum salary from \$22,000 to \$27,500 and then how many more would be affected if it was raised to \$31,000 as the starting baseline salary?

Rep. Hunsakor: I don't have those numbers.

Kayla Pulver-Macher, ND Education Association: The Governor's proposal of \$27,500 impacts 100 teachers in nine school districts. Going to \$30,000 would affect 500 teachers in the state and \$31,000 would impact around 1400 teachers.

Rep. B. Koppelman: When you say 100 teachers, are you saying that of all the districts in the state, that there are only a few districts that have starting salary lower than \$27,500 and that's why it's only 100 affected. When they did the previous increases to that base salary, what happened is that changed the number on step 1 of most salary schedules and then it multiplied through anywhere from 20-30 steps. So, every district that had a line 1 salary that was lower than \$27,500 that every teacher in that district would get a raise. There would have to be virtually no districts that have starting levels below \$27,500 if it is only going to affect 100 teachers, is that what you're telling us.

Kayla Pulver-Macher: That's correct.

Rep. Rust: Is that 500 teachers and 1400 teachers as a result of the base moving up. How many teachers in ND get below \$27,500? You're saying that there are 100.

Kayla Pulver-Macher: I'm saying that there are around 100 teachers that make less than that \$27,500.

Rep. D. Johnson: That \$27,500, is that with benefits or without benefits.

Kayla Pulver-Macher: That is without benefits, because we are talking that minimum base salary, the per base that attracts beginning teachers, usually to a certain school district.

Rep. B. Koppelman: If there are 100 teachers that make less than \$27,500 right now, and this goes into place, that's going to pay many more teachers more money than they are getting paid today than 100 teachers. If there are currently 100 teachers that are currently making below that minimum and that step 1 on the salary schedule gets placed at \$27,500, every teacher in that school district that's on that salary

schedule is going to get a raise. What's that number. How many teachers will get a raise because of this, if the baseline entry level step is set at \$27,500.

Kayla Pulver-Macher: I don't have that number.

Ch. Nathe: It would be a chain effect.

Rep. Rohr: I would like to refer everyone to the fiscal note, on the back side. It talks about the number of teachers, salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000.

Ch. Nathe: That's at \$27,500, so I would imagine if you kicked it up to \$30-31,000 it would definitely be more than \$42,000 that we're putting on school districts.

Rep. Rohr: But she indicated 100 teachers, so there is a discrepancy.

Rep. J. Kelsh: I think the bill really doesn't mention teachers. We have a policy of 70% of new money going to teachers that was left off because what's new money and what isn't. We're still about 47th in the nation for teachers' salaries. We brag about being the best run state, having the best economy in the nation, and we're 47th as far as teachers' salaries are concerned. I think it's time to take a look at that and try to do something. It's been said before, if not now, when. We have the money, we have the resources to do something about teachers' salaries. We've made small efforts in the past, we were at 49, and now we're down to 47. With all the other factors that are going on in the state of ND, I think we need to do better.

Ch. Nathe: We will take a roll call vote. 3 YES 9 NO 1 ABSENT MOTION FAILED

Rep. Schatz: I move a Do Pass as amended with a rereferral to Appropriations.

Rep. D. Johnson: Second the motion.

Rep. J. Kelsh: I have some additional amendments that I want to bring forward.

Ch. Nathe: At the determination of the chair, we are not going to take those amendments up, we've already discussed the bill's issues in committee, on the floor, that discussion is over and done with. It does not serve any purpose for this committee or for this bill. Clerk will call the roll.

11 YES 0 NO 2 ABSENT

CARRIER: Rep. Rust

DO PASS AS AMENDED AND REREFERRED TO APPROPRIATIONS

FISCAL NOTE
Requested by Legislative Council
01/16/2013

Revised
 Bill/Resolution No.: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$944,500,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through transition adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the sum of 2012-13 state school aid, 2012-13 mill levy reduction grants and an amount determined by multiplying the combined education mills levied over 50 mills (limited to 60 mills) times taxable valuation for the 2011 tax year by 2012-13 weighted student units. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 8 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. Section 10 State aid determination: • Mineral revenue in excess of two million dollars received by the school district and reported under code 2000 of the North Dakota school district accounting and reporting manual, is excluded from the formula. The estimated additional cost of the exclusion is \$9 million. • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary

amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/05/2013

VLC
2/14/13
1086

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 1, line 1, remove "15.1-27-04.3,"

Page 1, line 3, after "sections" insert "15-39.1-28,"

Page 1, line 4, replace "15.1-27-04" with "15.1-27-03.2"

Page 1, line 5, after the fourth comma insert "40-55-08,"

Page 1, line 8, after "sections" insert "15.1-27-04,"

Page 1, after line 13, insert:

"SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district."

Page 7, line 30, after "hundred" insert "twenty-five"

Page 8, line 27, overstrike "0.004" and insert immediately thereafter "0.002"

Page 10, line 5, after "hundred" insert "twenty-five"

Page 11, line 3, overstrike "0.004" and insert immediately thereafter "0.002"

Page 11, replace lines 9 through 19 with:

"SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;

- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i-s.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j-t.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k-u.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l-v.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m-w.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n-x.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;

- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
 - p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
 - q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
 - r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
 - s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership."

Page 12, replace lines 1 through 24 with:

"15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
 - f. An amount equal to seventy-five percent of all:
 - (1) Mineral revenue received by the school district and 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) Tuition received by the school district and 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 resident treatment facility;
 - (3) Revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (4) Revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (5) Revenue received by the school district from mobile home taxes;
 - (6) Revenue received by the school district 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);
 - (7) Telecommunications tax revenue received by the school district; and

- (8) Revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
- (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;
or
- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
- (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;
or
- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district; and
- b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 8 of subdivision f of subsection 1.

- 690
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."

Page 13, remove lines 3 through 30

Page 14, remove lines 1 through 12

Page 20, line 9, replace "state" with "county"

Page 20, line 9, remove "ten percent, or"

Page 20, line 10, replace "any larger" with "the dollar amount or"

Page 20, line 10, replace the first "of" with "from"

Page 20, line 12, after the underscored period insert "The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer."

Page 20, after line 19, insert:

"SECTION 20. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision q of subsection 1 of using the proceeds of levies, as permitted by section 57-15-14.2."

Page 35, line 19, after "Sections" insert "15.1-27-04,"

Renumber accordingly

Date: 2/13/2013
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

House

EDUCATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Amendment 13.0278.02011

Action Taken: ☒ Do Pass ☒ Amended ☐ Rerefer to Appropriations

☐ Do Not Pass ☐ Adopt Amendment

Motion Made By Rep. Hunskor Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe		✓	Rep. Bob Hunskor	✓	
Rep. Mike Schatz		✓	Rep. Jerry Kelsh	✓	
Rep. Joe Heilman			Rep. Corey Mock	✓	
Rep. Brenda Heller		✓			
Rep. Dennis Johnson		✓			
Rep. Ben Koppelman		✓			
Rep. Lisa Meier		✓			
Rep. Karen Rohr		✓			
Rep. David Rust		✓			
Rep. John Wall		✓			

TOTAL (YES) 3 (NO) 9 (ABSENT) 1

FLOOR ASSIGNMENT Failed

If the vote is on an amendment, briefly indicate intent:

Failed

Date: 2/13/13

Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

House

EDUCATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0278.02009 & 13.0278.02012

Action Taken: ☒ Do Pass ☒ Amended ☒ Rerefer to Appropriations

☐ Do Not Pass ☐ Adopt Amendment

Motion Made By Rep. Schatz Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunsakor	✓	
Rep. Mike Schatz	✓		Rep. Jerry Kelsh	✓	
Rep. Joe Heilman			Rep. Corey Mock		
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman	✓				
Rep. Lisa Meier	✓				
Rep. Karen Rohr	✓				
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL (YES) 11 (NO) 0 (ABSENT) 2

FLOOR ASSIGNMENT Rep. Rust

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1319: Education Committee (Rep. Nathe, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1319 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "15.1-27-04.3,"

Page 1, line 3, after "sections" insert "15-39.1-28,"

Page 1, line 4, replace "15.1-27-04" with "15.1-27-03.2"

Page 1, line 5, after the fourth comma insert "40-55-08,"

Page 1, line 8, after "sections" insert "15.1-27-04,"

Page 1, after line 13, insert:

"SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district."

Page 7, line 30, after "hundred" insert "twenty-five"

Page 8, line 27, overstrike "0.004" and insert immediately thereafter "0.002"

Page 10, line 5, after "hundred" insert "twenty-five"

Page 11, line 3, overstrike "0.004" and insert immediately thereafter "0.002"

Page 11, replace lines 9 through 19 with:

"SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. 4.251.35 if the students in average daily membership number fewer than 485125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;

- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- b-l. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- l-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

- e-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
 - p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
 - q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
 - r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
 - s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z-jj. 1.00 if the students in average daily membership number at least 900.
- 2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 - 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 - 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership."

Page 11, remove lines 22 through 30

Page 12, replace lines 1 through 24 with:

"15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
 - f. An amount equal to seventy-five percent of all:
 - (1) Mineral revenue received by the school district and 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) Tuition received by the school district and 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 resident treatment facility;
 - (3) Revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (4) Revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (5) Revenue received by the school district from mobile home taxes;
 - (6) Revenue received by the school district 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);
 - (7) Telecommunications tax revenue received by the school district; and
 - (8) Revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.

2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3.
 - a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
 - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 8 of subdivision f of subsection 1.
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."

Page 13, remove lines 3 through 30

Page 14, remove lines 1 through 12

Page 20, line 9, replace "state" with "county"

Page 20, line 9, remove "ten percent, or"

Page 20, line 10, replace "any larger" with "the dollar amount or"

Page 20, line 10, replace the first "of" with "from"

Page 20, line 12, after the underscored period insert "The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer."

Page 20, after line 19, insert:

"SECTION 20. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision q of subsection 1 of~~using the proceeds of levies, as permitted by section 57-15-14.2."

Page 35, line 19, after "Sections" insert "15.1-27-04,"

Renumber accordingly

2013 HOUSE APPROPRIATIONS

HB 1319

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1319
February 18, 2013
Job 19103

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-04, 15.1-27-07.1, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04, 57-19-10, and chapter 57-64 of the North Dakota Century Code, relating to the determination of state aid payable to school districts, school district levy authority, and the mill levy reduction grant program; and to provide for a legislative management study.

Minutes:

Testimony 1

Rep David Rust, District 2: Introduced the bill and gave an overview of the sections.

Interspersed questions while making copies/doing handouts (3 attachments)

Rep Kempenich read 15-14.2 (0:07:30).

Rep Rust continued overview.

Chairman Delzer: In regards to section 9, it's not a case of effective dates on the end of the bill, it's just that it already had a sunset and you are recognizing that.

Rep Skarphol: It had a delayed effective date last session. It was implemented with a sunset on it, and now it has to be reevaluated.

Rep Rust: One of the provisions of this bill is that it calls for a legislative management study of this whole process.

Sheila Sandness, Legislative Council: At the end of session, we put together the legislative intent book, which shows all the changes to the executive recommendation and

usually include all of the miscellaneous appropriations bills in there. About the only way would be to look at the end of the bill and see the effective date.

Chairman Delzer: Was it actually in place, delayed implementation from 2009?

Rep Skarphol: In this biennia there is a \$300,000 grant to pay for the cost associated with this program. There was a delayed effective date put on the last legislative session's bill which implemented this particular waiting factor. I think in the drafting of that particular legislation 2 years ago, there should have been a way to adequately draw attention to the delayed effective date. It should have also been reflected in the drafting of this bill.

Chairman Delzer: We're going to do it for this coming biennium, and then it goes away.

Rep Rust: We're going to do it for this coming biennium, and then we'll come back and discuss whether or not to continue it or have it go away. It will go away, unless there is action by this body to keep it.

Chairman: Is that the \$300,000 grant?

Rep Rust: No, it's the waiting factor of .15.

Rep Nelson: Prior to this change, had you had a chance to look at the run and how this change affected some of the schools that were in a different position prior to this? What size school was affected by this particular amendment?

Rep Rust: When this bill was originally presented by the governor and his staff, some of the concerns that came to our committee dealt with the smaller schools. In this plan, we brought the weighting factors down from 185 to 125. For small but isolated schools, we brought it up from 100 to 125. If you're going to look at the philosophy of an adequacy program and incorporate into that equity and tax relief, equity is achieved by trying to get everybody to levy about the same mills and try to get everybody to have the same number of dollars behind each student.

Rep Nelson: Who did you take money away from to save the small schools?

Rep Rust: We did not take any money away from anyone. We are adding \$7.7 million to the program. It was an enhancement of \$7.75 million. To bring the isolated schools up was an additional \$1.3 million enhancement. The REA factor was a benefit to the state of \$3.7 million.

Chairman Delzer: But they were still held harmless because of REAs.

Rep Rust: Yes.

Rep Monson: That small but necessary factor that you adjusted this time, is that partly because there was a change in definition of small but necessary?

Rep Rust: Because you raised it from 100 ADM to 125.

Chairman Delzer: That is being done in this bill, it wasn't done last session?

Rep Rust: There was a 0.10 waiting factor for small but isolated schools. This increases the average daily membership from 100 ADM to 125. The cost of doing that is \$1.3 million.

Rep Williams: There is a lot in here. I'm concerned about one thing. When you are all said and done, where are you in relation to the governor's budget?

Rep Rust: We are about \$16.85 million above it.

Chairman Delzer: Are you getting rid of the waiting factor for the alternative education levy?

Rep Rust: There is an alternative education levy currently in law, one that is going into those 12 mills. There is some revenue received from that.

Chairman Delzer: Not all schools do it?

Rep Rust: Correct. It's generally the larger schools that do it.

(41:53)

Chairman Delzer: Is that an automatic cola on the baseline and an automatic cola on the hold-harmless?

Rep Rust: The hold-harmless is 100% of the dollars generated by state and local using 2012-13. That one does not move forward. Both years of the biennium if you get better dollars by the hold-harmless, you're held hold-harmless to the 2012-13 school year.

Chairman Delzer: You are possibly paying for declining enrollment?

Rep Rust: Yes. You could look at it that way.

Chairman Delzer: What's the automatic cola percentage built in? The difference from 8810 to 9092.

Rep Rust: It's about 200 vets, maybe more. I don't have the percentage.

Rep Skarphol: If you have a school with 120 students that gets funded in the first year based on this formula and then 10 students leave, how do they get funded the next time? What changes in their funding model? How does it change their funding revenue? Are they guaranteed 100% of what they had the previous year?

Rep Rust: Yes, but it doesn't move forward. The second year of the biennium it is 100%.

Rep Skarphol: And how about the third year?

Rep Rust: We will have met as a legislature and have determined the changes needed?

Rep Skarphol: So there is not a mechanism to move forward beyond two years? So they will continue to get paid whatever they've got paid in the second half of this biennium?

Rep Rust: Yes. On state and local, not just state dollars.

(45:34)

Rep Nelson: In reference to page 17 line 19, other than student population, what practical situation would exist that a school district could possibly exceed the 110% limitation?

Rep Rust: That could happen in a property-poor school district. It has to do with those that are declining in enrollment and the amount of dollars behind each student is less, so basically it's your property evaluations.

Rep Nelson: So evaluations would have to change what is occurring today in most parts of the state? Is it safe to say that student population is the biggest contributor?

Rep Rust: I think it's a combination of losing students and being in a property-poor school district because when you're in a property-poor school district, you need more money to come up to that foundational level.

Rep Nelson: Is rich versus poor determined by property in this case?

Rep Rust: Mostly by property, but you can be student rich too.

Chairman Delzer: In this setup, what does it do for increasing enrollment? Doesn't it pay for increasing enrollment?

Rep Rust: Yes it does.

(54:20)

Chairman Delzer: What about exemptions granted by the cities? Is that addressed?

Rep Rust: No, that is a discussion for another bill. That is something that has been happening over a number of years that deserves some discussion.

Rep Skarphol: On pages 18-19 in the overstruck language, what is included on page 16 that isn't included on page 18 as far as the formula distribution? What is included in the new baseline funding versus the old?

Rep Rust: We added in long-distance learning, educational technology and alternative ed. I believe we changed the 2012 general fund levy. It makes it more current.

Rep Skarphol: Is the imputation thing new in some way?

Rep Rust: In the process of trying to determine baseline funding, we were trying to make it more equitable. We ended up re-writing it.

Chairman Delzer: The difference is the \$16.85 million that you added to the bill.

Rep Rust: And the way we figured the baseline student information.

(0:59:54)

Rep Rust: Section 15 establishes a new minimum salary for teachers.

Chairman Delzer: Why do we want to do that? How many does this affect?

Rep Rust: The Education Association feels that there are a number of instructors that are affected by this. If you apply it to the base salary, there can be a ripple-through effect.

Chairman Delzer: Are we requiring 70% of new money to go to salaries?

Rep Rust: The 70% of new money going to salaries has been taken out of the bill.

Chairman Delzer: Can you get us how many districts this affects?

Rep Rust: Nine school districts. I'm not sure how much money.

(1:03:15)

Rep Nelson: You said NDEA would argue a different number than another organization as to how many would fit under that definition. After all of the years we've had 70% funding, there's no definition of what minimally funded teachers is?

Rep Rust: I think the word 'minimum salary level' can generate some difference of thinking. Some think it means minimum base number; some it's the minimum salary given. There is room for some argument there as to how many people are affected.

Rep Nelson: The department has been distributing funding for biennium after biennium; they must have a definition that they are using.

Rep Rust: I'm not aware of that definition. There are some school districts that have artificially kept their base salary low. All of their people have a lot of years of experience, so the base number doesn't apply to them. But it does when you raise it because of the ripple-through effect.

Rep Skarphol: There's nowhere else in here where this \$27,500 is adjusted by some factor? This is a stable number until we change it again, is that correct?

Rep Rust: Correct, this is the only place it is referenced.

(1:08:03)

Rep Skarphol: Does this provide for them to be able to have a levy for tuition payments? If it does, is that in excess of the 50 or the 12?

Rep Rust: It does not become part of the 12 mills. This is in addition to the 60 and the 12.

Rep Skarphol: So the rural district has the ability to have whatever additional levy they deem appropriate for purposes of paying those tuition payments?

Rep Rust: Yes.

Chairman Delzer: The K-12 school districts are limited to 60, but the K-8s have 60 plus whatever they want to levy for tuition.

Rep Rust: That is true but generally mill levies of elementary school districts are less than the less than the levies of the larger populated school district that they are near and sending kids to. There is a formula in state law that determines the tuition amount.

Rep Skarphol: Was there any discussion about the implications of this unlimited ability?

Rep Rust: The school district will know approximately how many kids they will have to send to other schools. They will know the approximate tuition cost per student. They will levy for that amount.

(1:19:40)

Chairman Delzer: What if the oil revenues go away and they don't cover the cost?

Rep Skarphol: Does that provision limit the amount of the loan that a school district in oil and gas counties can get? It would seem to imply that it will cover their payment. Is that a limiting factor as to the amount of the loan? Can they get a larger loan and it would imply an additional payment above the oil and gas payment?

Rep Rust: For a school district to get the lesser of \$20 million or 90% of a project, you would probably get a loan from this portion of the bill for part of that, and may go to the people in a vote to pay the remaining part. It allows for more options.

Chairman Delzer: If the oil revenues go away, who is responsible for paying the bill?

Rep Rust: I don't see that being in the bill.

Chairman Delzer: I don't think it is. The way it's set up, that fund would be out the money.

Rep Skarphol: If a school that doesn't have oil and gas revenue is eligible for a loan, they are going to have to repay. Is any school in the state eligible to access this loan program?

Rep Rust: Yes.

(1:28:07)

Chairman Delzer: Can't they go above the mill numbers to get the whole 12%?

Rep Rust: But they are limited to 60 mills.

Rep Kempenich: If you're at 50, you can only go up to 62? If you're at 60, you can go to 72?

Rep Rust: Yes. If you're lower, you can increase it in dollars by +12%.

Rep Monson: The 12% is capped still at your 60 mills?

Rep Rust: Correct.

(1:32:52)

Rep Skarphol: Is it conceivable that a district that was going with open-enrollment to another district and paying tuition for that student could use this levy?

Rep Rust: There is no tuition for open enrollment students.

Rep Skarphol: So it would only be applicable to elementary districts?

Rep Rust: Yes.

(1:38:19)

Rep Skarphol: If there is an excess in there, it has to transfer. If it stays in there, does the mill levy not apply the next year? Does the level of that special reserve fund accelerate as the property evaluations go up?

Rep Rust: On page 40 line 20 section 2, it says annually the board of the school district shall transfer to the general fund all of the income and interest earned by the principle of the special reserve fund.

Rep Skarphol: Does that mean there is an additional 3 mills that will be collected every year above the 60 or the 12 or the others that you refer to as limits?

Rep Rust: It would appear to be true, but someone else, maybe Anita Thomas, could give you better information on that.

Chairman Delzer adjourned the meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1319
2/25/13
Job 19437

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to determination of state aid payable to school districts, school district levy authority, and the mill levy reduction grant program; and to provide for a legislative management study.

Minutes:

You may make reference to "attached testimony."

Rep. Kempenich called the committee to order and a quorum was declared. We will start with HB 1319, and amendment .03006 has been passed out.

Rep. David Rust, District 2: Explained amendment .03006. Contrasted amended version with original version.

9:41 **Rep. Brandenburg:** For the local share, instead of 50 mills you can go to 70 mills. The state's share, instead of being 60 is going to 40 in this amended version. The extra mills, the combination of mills, could be done instead of 60, it went to 80?

Rep. Rust: Yes, that is correct.

10:33 to 14:38 **Rep. Rust:** Continued explanation of amendment. We would like to have a sunset put in that would sunset it June 30, 2015.

Rep. Skarphol: Going back to section 32, will this statement include the funding we provide for education to be reflected as well, or is this only pertinent to education?

Rep. Rust: My understanding is that this would be a comprehensive study that would include that.

Rep. Skarphol: Will it segregate educational funding from other funding for other political subdivision purposes?

Rep. Rust: The study is in section 33 of the amendment.

Rep. Skarphol: In 32, will that tax statement reflect education funding as well as any other property tax relief? Or is this designed purely for the educational aspect?

Rep. Rust: That has to do with mailing out information. It includes the property tax levied in dollars by county and school district and any city or township.

Rep. Williams: Forgetting about the \$100,000 for the study, is this still \$16.5M over the governor's budget after the adding and subtracting?

Rep. Mike Nathe, District 30: With the changes made with this amendment, it would take \$119M out of the original version of the bill, and that would be added into another bill (1198). All the amendments we did would stay in 1319.

Rep. Williams: You took \$119M out, but that is in addition to the governor's budget and other bills, correct:

Rep. Nathe: No. How we presented the bill the other day to the committee with the amendments on it brought the governor's bill up to around \$725M with the amendments. With the new amendments, that would back out \$119M; so HB 1319 would be \$119M less than that, so a little over \$600M.

Rep. Bellew: Why do you want to put that sunset on?

Rep. Nathe: We want to work off that study. We want to see the results of the study before we put anything into concrete.

Rep. Bellew: It seems like we start over every session anyway.

Rep. Nathe: You're probably right. As you know, HB 1319 is based off a PICA study, which was in 2008. We'd like to do our own study and then base the numbers off that going forward.

Rep. Kempenich: Other questions, committee? On page 16, we still left in the \$27,000 base on the bill.

Rep. Rust: This amendment does not include anything with regard to that.

Rep. Skarphol: With regard to any other funding we may do, such as rapid enrollment grants, will those dollars generated from the other funding be local funds that would be subject to the 75% imputation. How will they mesh and meld with this? I'm not asking you to answer now, just the check it out and be prepared to answer it when we get to that point.

20:18 **Rep. Glassheim:** You mentioned money going out of this into another bill?

Rep. Rust: There is a bill, HB 1198, which gives tax relief to the tax payer, based on a percentage overall. This amendment takes some money out of this, and I believe they're going to put it back in that.

Rep. Kempenich: We will discuss that bill later.

Rep. Nelson: At the end of the day, a local school district with the proposed amendments would have the floor, would be set at 70 mills. They still have the 10 mill additional, plus the 12. Without any action, they would be able to levy 92 mills, up to 95. Where is the property tax relief in this bill?

Rep. Rust: In current law, it is still the 12% limit. You cannot go up more than 12% if you have not achieved the maximum amount.

Rep. Nelson: So the proposal I gave is correct. You can add the 25 mills in addition to the 70. If it is current practice, they would do that without a vote of the people.

Rep. Rust: That is correct. The original philosophy is the same; we just bumped it up 20 mills.

Rep. Nelson: The 8810 stays in the bill. It's just that the local property tax would make up that 20 mill gap. Is that correct?

Rep. Rust: Yes.

Rep. Kempenich: Any other questions? Thank you.

Chairman Delzer: We'll take some time with this to go through it. We'll take it up probably later this afternoon.

24:07 **Rep. Dosch:** I have another amendment I would like to propose. Distributed and explained amendment .03008.

Chairman Delzer: We will have that discussion this afternoon.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1319
2/26/13
Job #19460

☐ Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to determination of state aid payable to school districts, school district levy authority, and the mill levy reduction grant program; and to provide for a legislative management study.

Minutes:

Attached amendments 13.0278.03006

Chairman Delzer called the committee back to order. We'll start with the amendments on HB 1319.

Rep. Monson: Went through amendment .03006. **Made a motion to adopt the amendments.**

Rep. Skarphol: Seconded.

Rep. Boe: I would like it on the record that we discovered a flaw in the formula where some schools where we plugged in the formula puts money in that wasn't there so when that exceeds their 110% and they take it out it drops them below what they got last biennium so they are not held harmless. We will try to fix that on the other side.

Rep. Dosch: I understand going from 50 to 70 mills, less buy down, less cost to the state. What precipitated the move from 60 to 80 mills?

Chairman Delzer: In the amount of property tax relief is going to be scheduled to be the same. The next bill we'll take up, HB 1198 takes the remaining 20 mills or whatever and puts that out in a different form of property tax relief. It's the same property tax relief just going out in two different ways.

Rep. Dosch: I understand that, and that explains the 50 to the 70, but the 60 to the 80 is what my concern is and that we are allowing them to go back up and raise the property taxes in essence to 80 mills.

Rep. Monson: That is exactly the effect of going to 70 when you buy down 40 mills. When you buy down 40 mills, the cost of educating a child does not change it is still \$9,000 or whatever it is in the second year of the biennium so by buying down only from 110 to 70 we

are now looking at needing to have the local taxpayers pick up the extra 20 which takes it from the 60 that was in the other bill to now go up to 80. It is a switch of money so that there will be money and the property taxpayers will pay more for school education and they will get money back if HB1198 passes, equal amount of money or maybe a little more which they will then get in the left pocket so they can move it to the right pocket to pay it back into the education end of it.

Rep. Nelson: There are a number of school districts under this formula that are not held harmless. There was an attempt made by the policy committee and they added \$17 million to appear to get schools to the same level of funding that they are in the current biennium. It took more money under this new plan to do that. Representative Boe just brought up and issue where that may not have been totally accomplished but zero growth for a school district that may be in the middle of a planned negotiation situation so their costs go up whether or not there is an increase in state funding. What would their only option be if it wasn't property tax, that's the only option they have and that's why the flexibility is needed or these school districts can't exist.

VOICE VOTE: MOTION CARRIES.

Rep. Skarphol: There was some talk of sun setting this bill; do we wish to pursue it?

Chairman Delzer: With the money for the study in there I think it would be a wise move to put a sunset in there.

Representative Skarphol: Made a motion to further amend to include a sunset on this bill at the end of the next biennium.

Representative Grande: Seconded.

VOICE VOTE: MOTION CARRIED.

Rep. Dosch moved to further amend with .03008.

Rep. Grande: Seconded.

Rep. Dosch: Explained the amendment.

Rep. Holman: I saw some potential problems with an amendment like this and if you look at the demographic of most colleges you're dealing with a lot of older than average students, people who have returned to school, and a lot of things that would make this look good on first site but as far as trying to place blame on somebody 40 years old who's going back to college if they aren't prepared for college that could be a problem.

Rep. Dosch: This isn't talking about a 40 year old student; this is talking about a student who has graduated from a high school with a diploma and is heading into one of the institutions of higher education and needs remedial courses to get in to college.

Rep. Williams: We have a great number of students that go to smaller schools and have a smaller curriculum so they graduate with 21 credits but if they go on they have problems in the university system. I do not think that this is the way to go.

Rep. Monson: I was in small schools, and I have many students that did fantastic and went on to be doctors and veterinarians. I also have some students who we thought would have great success and went off and didn't do well in college. We have no control over these students and their study habits once they get out of school. I blame higher education as much as K-12 for not screening some of these people. They graduate because they have the credits. There are so many variables. It sounds good, but it isn't.

Rep. Hawken: I commend Rep. Dosch on this. He's right; this is an issue we talk about all the time. However, there are too many variables. It can flip the other way, too. We need to figure out some way to address this issue, but I don't think this is it.

Rep. Nelson: Let's look at the practical nature of this. We just looked at some schools that really don't have any growth in funding and now they're going to have this hanging over their heads. In order for a school district to protect themselves they would have to sit down with that individual and tell them to enroll in a certain course so they don't get charged with a remedial course and you're going to have another layer of bureaucracy that could hinder the options for that student. It's not a very good idea to saddle the school district with this responsibility.

Rep. Dosch: That's been the problem. There is a lot of finger pointing going on. K-12 says it's not us, it's higher education; higher education says it's not us, it's you; someone needs to be held accountable for what is happening in our K-12. You look at the budgets and the amount of money that the state is putting in to both K-12 and higher education and we're having a discussion saying we can't hold people accountable but we have to issue diplomas regardless. We expect that our students in K-12 to be competent when they go to college; it's all about accountability.

Chairman Delzer: Does this include all schools; private, public, and Native American?

Rep. Dosch: If the committee wishes to fund all schools at the same level and demand the same requirements then I would say absolutely, yes.

Chairman Delzer: The way it is written, doesn't it include them because it doesn't exclude them. It's a district and private schools are not a district. Did you bring this forward as a stand-alone bill?

Rep. Dosch: I did not. It is pertinent to the bill since we are talking about funding and we should be getting our monies worth for what we fund.

Rep. Holman: I like the idea, but I don't think this is the vehicle to deal with it so I can't support the amendment. Having been there, I understand exactly what you're talking about.

VOICE VOTE ON FURTHER AMENDING: MOTION FAILS

ROLL CALL VOTE: 11 YES 11 NO 0 ABSENT

MOTION FAILS.

Chairman Delzer: We have the amended bill before us.

Rep. Monson: Made a motion for Do Pass as Amended on HB 1319.

Rep. Skarphol: Seconded.

Rep. Glassheim: In the bill we just defeated 11-11 would that be possible to include a study resolution?

Rep. Monson: I see no reason why there couldn't be some type of accountability study with that.

Chairman Delzer: We can put that in the record. We can mention that to the legislative management committee and they can add anything. I would hope that the people who take it over to the other side would ask for that at the very least. Is there any further discussion?

Rep. Monson: I should mention section 12, which Rep. Boe brought up earlier. This hits the very poor districts probably the most. It's on page 17. We talked about it at length. I don't think it will cost a lot of money to fix the problem. I think this is rather an easy fix and we can work on it in the senate.

Chairman Delzer: Everyone must do whatever they want on this vote. I find myself unable to support the passage of this measure. I think we're moving too fast without enough time and I also have extreme concerns about how much property tax relief we are tying to education funding because I don't see that as a fair dollar for dollar for everyone.

ROLL CALL VOTE FOR DO PASS AS AMENDED: 20 YES 2 NO 0 ABSENT

Representative Sanford will carry this bill.

VK
2/27/13
184

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1319

Page 1, line 6, remove "and"

Page 1, line 7, after "57-19-09" insert ", and 57-20-07.1"

Page 1, line 8, remove "15.1-27-04,"

Page 1, line 8, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 1, line 9, replace "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04," with "and"

Page 1, line 9, remove ", and chapter"

Page 1, line 10, remove "57-64"

Page 1, line 10, remove "the determination of state aid payable to"

Page 1, line 11, replace "school districts, school district levy authority, and the mill levy reduction grant program" with "kindergarten payments and special reserve funds; to provide an appropriation"

Page 1, line 11, remove the second "and"

Page 1, line 12, after "study" insert "; to provide for a suspension; to provide an effective date; and to provide an expiration date"

Page 8, line 7, remove "twenty-five"

Page 8, line 14, remove the overstrike over "0.079"

Page 8, line 14, remove "0.082"

Page 8, line 29, remove the overstrike over "0.006"

Page 8, line 29, remove "0.003"

Page 9, line 5, remove the overstrike over "0.004"

Page 9, line 5, remove "0.002"

Page 16, line 22, replace "fifty" with "seventy"

Page 17, line 4, replace "fifty" with "seventy"

Page 28, line 26, replace "thirty-five" with "fifteen"

Page 28, line 30, replace "sixty" with "forty"

Page 29, line 6, replace "sixty" with "eighty"

Page 31, line 24, replace "sixty" with "eighty"

Page 38, remove lines 21 through 31

Page 39, replace lines 1 through 3 with:

"SECTION 32. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~:
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
 - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;

- 3087
- d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
- a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 34. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 35. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 36. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012."

Page 39, line 4, remove "15.1-27-04,"

Page 39, line 4, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 39, line 5, remove "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04,"

Page 39, line 5, remove the second "and"

Page 39, line 6, remove "chapter 57-64"

Page 39, after line 6, insert:

"SECTION 38. EXPIRATION DATE. Sections 1, 5, 8, 10 through 12, 15, 19, and 31 of this Act are effective through June 30, 2013, and after that date are ineffective.

SECTION 39. EFFECTIVE DATE - EXPIRATION DATE. Sections 18 and 20 through 28 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

Date: 2/26/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1319

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 03006

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Monson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote carries

Date: 2/26/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1319

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

include sunset at end of next biennium

voice vote carries

Date: 2/26/13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1319

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 03008

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe		X
Rep. Hawken		X	Rep. Glassheim		X
Rep. Kreidt	X		Rep. Guggisberg		X
Rep. Martinson	X		Rep. Holman		X
Rep. Monson		X	Rep. Williams		X
Rep. Nelson		X			
Rep. Pollert		X			
Rep. Sanford		X			
Rep. Skarphol	X				

Total Yes 11 No 11

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote fails

roll call requested

motion fails

Date: 2/26/13
Roll Call Vote #: 4

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1319

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0278.03010

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Monson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe		X
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 20 No 2

Absent 0

Floor Assignment Rep. Sanford

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1319, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1319 was placed on the Sixth order on the calendar.

Page 1, line 6, remove "and"

Page 1, line 7, after "57-19-09" insert ", and 57-20-07.1"

Page 1, line 8, remove "15.1-27-04,"

Page 1, line 8, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 1, line 9, replace "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04," with "and"

Page 1, line 9, remove ", and chapter"

Page 1, line 10, remove "57-64"

Page 1, line 10, remove "the determination of state aid payable to"

Page 1, line 11, replace "school districts, school district levy authority, and the mill levy reduction grant program" with "kindergarten payments and special reserve funds; to provide an appropriation"

Page 1, line 11, remove the second "and"

Page 1, line 12, after "study" insert "; to provide for a suspension; to provide an effective date; and to provide an expiration date"

Page 8, line 7, remove "twenty-five"

Page 8, line 14, remove the overstrike over "0.079"

Page 8, line 14, remove "0.082"

Page 8, line 29, remove the overstrike over "0.006"

Page 8, line 29, remove "0.003"

Page 9, line 5, remove the overstrike over "0.004"

Page 9, line 5, remove "0.002"

Page 16, line 22, replace "fifty" with "seventy"

Page 17, line 4, replace "fifty" with "seventy"

Page 28, line 26, replace "thirty-five" with "fifteen"

Page 28, line 30, replace "sixty" with "forty"

Page 29, line 6, replace "sixty" with "eighty"

Page 31, line 24, replace "sixty" with "eighty"

Page 38, remove lines 21 through 31

Page 39, replace lines 1 through 3 with:

"**SECTION 32. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the:~~
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
 - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;

- e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
- a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 34. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 35. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 36. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012."

Page 39, line 4, remove "15.1-27-04,"

Page 39, line 4, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 39, line 5, remove "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04,"

Page 39, line 5, remove the second "and"

Page 39, line 6, remove "chapter 57-64"

Page 39, after line 6, insert:

"SECTION 38. EXPIRATION DATE. Sections 1, 5, 8, 10 through 12, 15, 19, and 31 of this Act are effective through June 30, 2013, and after that date are ineffective.

SECTION 39. EFFECTIVE DATE - EXPIRATION DATE. Sections 18 and 20 through 28 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

2013 SENATE EDUCATION

HB 1319

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee Missouri River Room, State Capitol

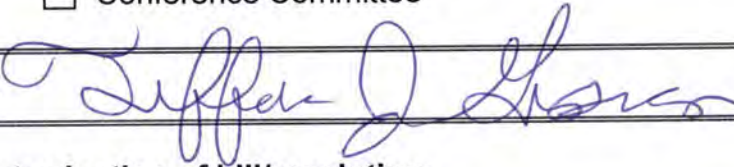
HB 1319

3-12-13

19765

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on HB 1319

Representative Dave Monson, District 10: I wish to introduce HB 1319 (Written Testimony #1 attached) Ended at 9:30

Governor Jack Dalrymple: I will give overview comments then I will come back and speak about what a few of the sections do. HB 1319 is a significant piece of legislation. This is probably the last step in a process that began about 6 years ago when the state of ND was sued by a group of plaintiff school districts that the ND School Funding Formula was inequitable. We felt they had an excellent case and we made a proposal that lawsuit be settled out of court through negotiation. That led to the formation of Commission on Education Improvement. That commission consisted of four legislators, four superintendents, myself, and the Superintendent of Public Instruction. Over the last three bienniums we produced three bills all together that have done a tremendous amount to provide equity and adequacy in school funding in North Dakota. We still have not achieved full equity with our formula. It is important to remember if you are below the statewide average in taxable evaluation, you are brought up to 90% of the statewide average. If your average taxable valuation is more than 150% of the statewide average you begin to receive discounts on state payments. That is a huge improvement over disparities before where we had some districts with only 20% of the revenue per student that was available to other districts. However, 90%-150% is a wide range. In that range there is no equalization. The

solution in HB 1319 basically is to increase again the state share of the cost of K-12 education and diminish even further the need and influencing effects of the local property tax base. It does put us in a place where every student is going to be receiving approximately the same amount of financial support regardless of where they live or the taxable valuations in their area. That is a huge accomplishment. On the tax side, the point I would like to make is that even though this is an education funding bill, there is a tremendous amount of property tax relief in this bill. The House of Representatives surprisingly decided to reduce the amount of property tax relief by \$120 million. They changed the limit on the local general fund levy from up to 80 mills. I don't know their full reasoning was. We in the Governor's office believe the K-12 school district mill levy is the best place and way for the state to provide property tax relief. We already have a good understanding of how the governance is going to work. We are already footing the majority of the bill for K-12 education. This bill should be returned to the form it was in when it was originally introduced. That will provide more property tax relief. It is a better form of property tax relief than any other measures that have been put before the legislature thus far.

Kirsten Baesler, Superintendent, North Dakota Department of Public Instruction:

Public education has seen great progress over the last several sessions. This bill is one step further on the path toward adequate education funding in North Dakota. The bill eliminates the variability of fluctuating property valuations for the state but in addition the bill also provides a balance of state funding combined with local property tax dollars. I believe with adequate local investment comes adequate local control which is very important to the education system in North Dakota. My priority is to ensure adequate funding for all schools in North Dakota and I am optimistic the Senate will continue the work of the house on HB 1319 that they started and pass a suitable version of this bill to meet the needs of all North Dakota public school students. (Ended Testimony at 18:54)

*****Later provided written testimony. I numbered it #18, the last attachment**

Governor Jack Dalrymple: I will now explain the sections of this bill. (Written Testimony 2 attached) He explained the amendments the House put on the bill. All are included in the written testimony. (Ended Testimony at 37:10)

Senator Cook: The imputed value at 75%...For every dollar they get in mineral taxes that is a 75% reduction they would get in state foundation aid?

Governor Jack Dalrymple: That is correct. The other way of looking at is they get to keep 25%.

Senator Cook: This bill would reflect that if both bills passed.

Governor Jack Dalrymple: Those have to be thought about.

Senator Cook: We still have some school districts that do not get any foundation aid from the state of North Dakota because they have a large bank account ending fund balance.

Governor Jack Dalrymple: Yes. As you accumulate an ending fund balance, we begin to deduct more and more dollars. There are a couple of districts that have so much in reserve that they are not eligible. That has not changed.

Senator Heckaman: On the minimum teacher's salary, what was the determining factor?

Governor Jack Dalrymple: I think the calculation was 3% a year after the number of years since we last changed it.

Senator Heckaman: I testified on childcare yesterday. Given the need for childcare and the rising cost, a family in Dickinson on a yearly basis for two children will pay \$16,800 for child care. If I take that on a 9 month basis for a family that would be \$12,000. Given the salary of \$27,500, childcare ate \$12,000, and housing costs increasing, what will be left for a teacher to live on in Western North Dakota?

Governor Jack Dalrymple: The committee should discuss that. It becomes more complex as you begin to analyze the effect on the salary schedule. I would encourage you to delve into that.

Senator Miller: Do you think the base salary for a teacher is a matter of the local school district to decide?

Governor Jack Dalrymple: There are two different principles at work here. One is local control and decision making. There are many times the state encourages certain outcomes and tries to create incentives or requirements. We have tried to nudge up the minimum salary. People feel that in the end school districts do not have a hard time complying with that. It brings them to addressing the question and responding to it.

Joe Morrisett, Office of Management and Budget: I wish to further explain HB 1319 (Written Testimony #3 attached) Ended at 51:04

Senator Cook: In Section 16 the dollars are now coming through the general fund. Does that require dollars to be going to the budget stabilization fund?

Joe Morrisett, Office of Management and Budget: It would.

Governor Jack Dalrymple: We feel we are funding K-12 education through a combination of general fund revenue sources and oil and gas production taxes. We want to show the taxpayer the property tax relief. There is a reason to maintain the identity of that fund.

Senator Cook: On section 32 you talked about the requirement to put a statement on the property tax statement. How would we measure the actual tax relief going to a particular school district?

Governor Jack Dalrymple: The House left that up to you. I think everyone is in agreement we are trying to show the historic tax relief over the last six years. If they started at 200 mills, and now under this bill in its original form, their max is 60 mills. The 140 mills of taxes is the number we would like to show in dollars.

Senator Cook: You can show it for each individual taxing district but if we want to define it in dollars it will be difficult.

Governor Jack Dalrymple: The goal is to keep it simple. If they can be informed of the mills saved, that can be converted into the dollar savings on each parcel. Your idea is great but as you get more complicated, it gets more difficult. On the school construction loan, I would encourage a subcommittee to look carefully at that language on the school construction loan program. Make sure this looks right to you. I don't think the house spent much time on it. Would you want a minimum interest rate?

Senator Heckaman: On that school construction loan expansion, it is \$200 million more than there is available now but I understood there is \$40 million being used. How does that work?

Governor: The coal development trust fund has \$50 million authorized and they have already loaned out \$40 million. I believe it is a revolving fund. The \$10 remaining has been committed so you need more. It is \$200 new. \$50 in place today. This will be administered by the state Superintendent but if you have guidance to provide, this is the place to do it.

Senator Campbell: Section 32 is a great idea but in most cases if the farm has gone up more than that, and the taxes go up, you could get into trouble explaining that. What would you suggest when you are in a dilemma of explaining that when land value is rising?

Governor Jack Dalrymple: That is difficult. We need to inform them of what we saved them in property taxes. Evaluations have gone up so much in North Dakota in every asset category that it seems like the more we do, the more that disappears. We need to find a way to inform people of the amount of relief they have received.

Senator Marcellais: I wish to testify in support of HB 1319 (Written Testimony #4 attached)
Ended 1:02:35

Farrell F. Gourneau, Acting Superintendent Belcourt School District #7: I wish to testify in support of HB 1319. (Written Testimony #5 attached)

Bill Shalhoob, GNDC: I wish to testify in support of HB 1319 (Written Testimony #6 attached) Ended at 1:07:35

Chairman Flakoll: Do you like the bill as now with the property tax relief or the bill introduced?

Bill Shalhoob, GNDC: That is a question of education funding. We would like to see that number bigger in terms of property tax relief.

Dakota Draper, President of the NDEA: I wish to testify in support of HB 1319 (Written Testimony #7 attached) 1:13:25

Chairman Flakoll: Do we know the ripple effect of the teacher salary?

Dakota Draper, President of the NDEA: That will depend on the negotiations. About 97 districts would have to adjust their lowest beginning salary at \$32,000.

Chairman Flakoll: How many are below the \$32,000

Dakota Draper, President of the NDEA: The number is somewhere to 2,330 teachers.

Senator Joe Miller: Looking at the research studies, 58% of North Dakotan's said the local school board should set the teacher's salary ranges. What do you make of that?

Dakota Draper, President of the NDEA: It is a combination of the local control and getting good quality people. It would be a combination of both.

Jon Martinson, ND School Board's Association: I wish to testify in support of HB 1319. (Written Testimony #8 attached) Ended at 1:17:37

Tristan DeCoteau, Student at TMCHS: I wish to testify in support of HB 1319. (Written Testimony #9 attached) Ended at 1:22:05

M. Douglas Johnson, Executive Director NDCEL: I am here to testify on the strengths and weaknesses of HB 1319 (Written Testimony #10 attached) Ended at 1:29:16

Mike Ness, Superintendent of Hazen Public School: I wish to testify in support of HB 1319. (Written Testimony #11 attached) Ended testimony at 1:33:10

Shelrae Davis, Student at TMCHS: I wish to testify on HB 1319. (Written Testimony #12 attached) Ended at 1:38:18

Senator Marcellais: What are your plans after graduation?

Shelrae Davis: To attend a Cooking School called Le Cordon Bleu in Minneapolis, MN.

Rick Diegel, Superintendent of Edgely: I wish to testify in opposition to HB 1319. (Written Testimony #13 attached) and passed out testimony #14 as well. It was a list of 129 school districts in North Dakota that had over a 12% valuation increase last year and also a list of 10 school districts that had lower than 12% increase.

Dr. Paul Stremick, Superintendent of North Border School District: I wish to testify in opposition of HB 1319. Testified in opposition (Written Attachment #15) ended at 1:49:20

Chairman Flakoll: Do you think the minerals should be at 100%?

Dr. Paul Stremick, Superintendent of North Border School District: I believe there are additional costs associated with the minerals. I also believe there are additional costs with property.

Chairman Flakoll: Are you saying the weighting factors are different in the new bill than the old bill?

Dr. Paul Stremick, Superintendent of North Border School District: No but keep in mind the weighting factor was based on a foundation aid payment of \$3900 and now it is on roughly \$9,000. There was an unwritten weighed factor for property tax for example. The property tax received by North Border is roughly two times the state average.

Senator Triplett: Has your school district considered the long term possibilities of taking advantage of the capital construction funds and interest rates available through this bill and considering expanding one or more of your buildings to create the efficiencies in teacher salaries that could be accomplished by having your students in one place?

Dr. Paul Stremick, Superintendent of North Border School District: Yes. We sent a letter to one of our neighboring districts asking them to do a study on consolidation (Cavalier School District) One of the problems we are encountering is declining enrollment and one of the buildings in the communities is still being paid for. It would close a building we are paying on. Our two population centers are 40 miles apart so that makes it difficult.

Senator Miler: Do you think we are layering too many things on the formula? Should we consider re-writing the whole thing?

Dr. Paul Stremick, Superintendent of North Border School District: I believe there are a lot of moving parts in this formula. Tax relief should be done outside of school funding. The sponsor said it is a school funding bill but another person said it is a tax relief bill but I believe it is a lot going on. This creates a funding formula similar to Minnesota and it scares me. I believe it is workable but it would take a couple of years of everyone working on it. We need to define who should get money. When we are sending money I would like to know what the criteria is.

Chairman Flakoll: The state was asked to share a larger cost of education. The school districts have been asking for this for 40 years. Since before I was born the school districts asked for the state to carry a larger share of the cost of education.

Dr. Paul Stremick, Superintendent of North Border School District: I don't believe school districts have asked for this formula. They are wise with their money. Everyone wants more money but I am not sure in this format.

Chairman Flakoll: Are you more scared about things like 3% caps or this?

Dr. Paul Stremick, Superintendent of North Border School District: Both. School districts need money to operate and if we don't get it on the property side because of the cap, we will raise mills.

Rodger Abbey, Superintendent at Midway: I wish to testify in opposition of HB 1319 (Written Testimony #16 attached) Ended at 2 hours

Robert Tollefson, Executive Director of North Dakota Small Organized Schools: I wish to testify in opposition of HB 1319. (Written Testimony #17 attached) Ended at 2:09:25

Chairman Flakoll: You have three of your districts that the cost per pupil is over \$40,000 per child. You have 12 that the cost per pupil is over \$20,000 per child. How do you propose we keep them from lying outside parameters?

Robert Tollefson, Executive Director of North Dakota small organized schools: I don't think school districts are looking for something to pay them without reduction. The ability to raise or generate dollars is where they have opted to now. Local taxpayers have to address it if they felt that would be too much.

Chairman Flakoll: Are you not hearing feedback from citizens about property taxes?

Robert Tollefson: Districts request more dollars requires a public meeting. Sometimes no one showed up to the meetings.

Senator Burckhard: You spoke about what is appropriate and what is not. I have to ask why you would have your testimony typed in all capital letters. My wife is a 5th grade teacher and would not approve of this.

Chairman Flakoll closed the hearing on HB 1319

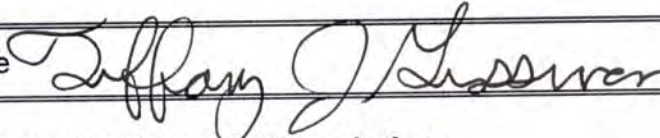
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-18-13
20095

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: Opened the hearing on HB 1319

Chairman Flakoll: Buy downs will be a tipping point decision. Finance and Tax will help us work through this. What we do affects what they may or may not be able to do.

Senator Luick: Do we know the dollar amount difference?

Chairman Flakoll: It changed the fiscal amount in this bill by \$119,600,000. I have a handout I'll provide later.

Vice Chairman Schaible: There are different fractions of the same property. I like the idea of being in one spot. It makes it easy to track and explain to the land owners if it is in one spot. I don't know the magic number but I like it in one spot.

Chairman Flakoll: I'll hand out attachment #1.

Vice Chairman Schaible: That is in another property tax relief?

Chairman Flakoll: They removed it from 1319 and put it in 1198.

Senator Heckaman: It doesn't show as a subtraction because it is still listed as property tax sustainability. Shouldn't one be different?

Chairman Flakoll: They may have split it across. Do you have preference where the relief is found?

Senator Heckaman: I think it is better leaving in this bill. However the patrons won't see property tax relief. We have to be able to show that.

Vice Chairman Schaible: If a school is at 90 it still buys down. If they are at 90 they go down to 50 or whatever it is.

Senator Heckaman: Is it proportional?

Chairman Flakoll: There are several bills with school funding.

Senator Luick: Isn't there one in tax and finance?

Chairman Flakoll: 1198 is one of those on property tax related. That has an appropriation of 147.6 million dollars in it.

Senator Luick: We are looking at is what our preferences are as far as how we wanted to take it from 70 to 50 mills and how to accomplish it?

Chairman Flakoll: If we do the buy down and lowering of mills they may assess, this is the vehicle. The other is the one again done through county auditors and that is 6%. This one has a 29% buy down and the other has 6%

Senator Luick: Would you explain the 12% limitation.

Chairman Flakoll: It was at 18% at one time and we put a whole bunch of money into the k-12 formula. They weren't encountering the last two years so rapid increase in taxable valuations and sometimes that is exacerbated by rapid enrollment concurrently.

Vice Chairman Schaible: By law you are only allowed to go up 12% of growth without a vote. If your valuations cause that to be over, you lower the mills or take it to a vote of the people.

Senator Luick: The 12% doesn't come into play if this is down to 50 mills or 70 mills.

Vice Chairman Schaible: It gets worse because it doesn't take as long to get to 12%.

Chairman Flakoll: Jerry Coleman from DPI can visit about that.

Senator Heckaman: Explain on p. 31 line 24 when it says up to a level of 80 mills.

Vice Chairman Schaible: You still can't go over 12% value-wise.

Senator Heckaman: On every 100,000 you could only assess 12,000 more?

Vice Chairman Schaible: Your valuations might do that all by itself.

Chairman Flakoll: Those at 90 mills in the current year would be like a restart.

Chairman Flakoll passed out amendment (attachment #2) saying you can't buy down to less than 1% because we shouldn't be offering interest free loans.

Chairman Flakoll: passed out amendment, (attachment #3)

Vice Chairman Schaible: We have several levels of buy down. Would this take care of a couple?

Chairman Flakoll: This should take care of the threshold ones.

Vice Chairman Schaible: I agree with that. That is more than reasonable. **Move to adopt amendment 4006 to HB 1319**

Senator Luick: Second

A roll call vote was taken to adopt amendment to engrossed HB 1319: 6 yeas 0 neas 0 absent

Chairman Flakoll: If you have a school district adds a new subdivision with new homes, are they outside the 12% with new construction?

Jerry Coleman, DPI: There is an alternative calculation in existing law where school districts can raise 12% over the previous year up to their 110 mill levy cap. That is the general calculation. Those experiencing large increases in taxable valuation can take advantage of an alternative calculation. It allows them to levy on the new property. That doesn't increase taxes on existing taxpayers. This has to be new property. I have seen cases where districts were able to take advantage of that. They were able to take advantage of that and raise the mills.

Chairman Flakoll: If you have a subdivision of 200 homes, those 200 new homes could be part of something outside the 12%.

Jerry Coleman: That is the concept so it is new property.

Chairman Flakoll: Is Williston doing this?

Jerry Coleman: I don't know. I am not aware but if they ask for more money than the 12%, the auditor would look at it.

Chairman Flakoll: Who makes that determination?

Jerry Coleman: I would think the county auditors are up on how to apply those.

Senator Luick: If you had one district looking at consolidating with a second district. One was high evaluation with low mil and was being put into the second. Would they be subject to the 12% max or can their mill rate be jacked up if that consolidation were to go through?

Jerry Coleman: When they reorganize they have a plan when they specialize the mill rate they'll as for. Their plan should address that. I believe they allow for time to bring the levies together.

Vice Chairman Schaible: If they are at the cap, anything above 12% of the dollars would have to be lowered.

Senator Heckaman: On the bill on the 400 version, p. 31 line 24. What does the 80 mill cap mean?

Jerry Coleman: That is re-writing existing mill levy authority for school districts. That is saying they can levy up to 80 mills. Under the current version they have to contribute the 70 mills toward the formula. Their new general fund mill levy cap of 110 mills will now be 80 mills. The 12% cap will still apply.

Chairman Flakoll: Essentially we brought it down to 70 mills. They have 10 mills of free space before a vote. Anything over 80 mills has to go to the vote of the people.

Jerry Coleman: Correct if it is on their general fund levy authority.

Senator Heckaman: Then you can add the 12 on to make 92. Then 3 is 95. Did I miss something?

Jerry Coleman: The 3 is for a special reserve levy. They are supposed to replace half of it.

Chairman Flakoll: With the three, that is not held against their ending fund balance correct?

Jerry Coleman: The general fund is subject to that excess fund balance. They levy on the special reserve. If they transferred to the general fund they would get captured.

Chairman Flakoll: What is the provision on the transfer of those funds?

Jerry Coleman: The board would request the business manager to transfer those funds from the reserve fund over to the general fund. That would show as a transfer on the books.

Chairman Flakoll: How do we discern the 1 and a half?

Jerry Coleman: they can levy 3 and transfer a mill and a half over the general fund. They have to repay the difference.

Senator Heckaman: On the tuition it says number of mills necessary. Has there been a cap?

Jerry Coleman: There has not. This is designed for tuition for other schools. They are allowed to levy whatever necessary.

Senator Luick: If you have in your district a 5 mill building fund and a 5 mill technology fund, how would something like that fit into this new bill?

Jerry Coleman: The legislative council has done a summary. Referring to attachment #2. That authority is still there.

Chairman Flakoll: Where it says consolidated, those are part of 12 bundled mills?

Jerry Coleman: Correct. Those that were voter approved before still exist. One exception might be the technology levy.

Chairman Flakoll: On HVAC current/ongoing obligations, how much are we looking at?

Jerry Coleman: Of the education mills, currently the total mills levied are 101.92 mills of that set of levies from the general fund. The ones levying over the cap statewide is 10 mills but those are voter approved. Then we get to the 12 mill miscellaneous funds which is 1.14 mills total. The HVAC levy is 0.28 mills.

Chairman Flakoll: Someone indicated they had 20 mills for HVAC. That seems like a lot.

Jerry Coleman: It does seem high. If you wanted a report I can extract that data.

Chairman Flakoll: Are you able to report what is assessed in total dollars across the state by repayment fall off?

Jerry Coleman: Those mills are applied against taxable valuations. Some of these may be combined.

Senator Luick: The school we consolidate with for our sporting program on the Minnesota side spent \$10.5 million in the HVAC. It was a new air conditioning and heating system including 463 geothermal wells.

Chairman Flakoll: Passed out amendment (attachment #4) the 4008 amendments. This is the solution proposed by the business manager from Belcourt School District #7 replacing 40% with 20%.

Senator Heckaman: Wayne Kutzer is supposed to bring amendments.

Chairman Flakoll: There are a lot of bills with silos of K-12 funding in them. Are HB 1358 comprehensive bill including 120 million with k-12 bill subject to the implication language?

Jerry Coleman: The allocation of oil and gas money would still be how it is now. My understanding is it didn't change much unless it was a hub school. I am not certain how that infrastructure of money would be handled.

Chairman Flakoll: If it goes to the general fund, that would change the fiscal note.

Jerry Coleman: It will certainly have an impact 75% would be offset in the formula.

Chairman Flakoll: Is there a difference in this bill from 2214. Under either scenario would they be covered with 1319 or 2214?

Jerry Coleman: The isolated school payment is for those ineligible when the criteria changed. Last session it was known they'd fall off so the hold harmless was for 5 years. This bill SB 2214 provides that language to continue that. It adds another year to that buy down.

Chairman Flakoll: We have to decide if we want it to sunset.

Vice Chairman Schaible: The sunset is irrelevant because this would come back.

Chairman Flakoll: I think it is a matter if we want to work off of a bill we passed or language in the current biennium.

Vice Chairman Schaible: We are not running a test sample.

Chairman Flakoll: The public perception is something we might have to address with the property tax if we sunset it. That has been the worry over the years.

Senator Luick: On page 39, the real estate tax statements, is that set at a favorable way to handle that. I think there is another bill.

Chairman Flakoll: I have yet to hear anyone who doesn't think there should be some visual evidence of a buy down. If we move to the new funding mechanism under 1319, that is favorable in terms of school district cash flow.

Jerry Coleman: That would be correct. January 1 they would have 76% under our current distribution schedule. Jan, Feb, and March are the property tax collection months for schools.

Chairman Flakoll: Are there concerns about the rapid enrollment bill? I thought those were paid out in a similar methodology as this bill.

Jerry Coleman: I'm thinking this is from property tax credit bills. It is part of some of the other bills HB 1198 took money out of this bill and went to go out as credit on property taxes.

Chairman Flakoll: They may get a balloon payment which will compromise ending fund balances and they may lose money.

Jerry Coleman: That could cause a conflict.

Senator Luick: In 1319 we are bumping the minimum salary to \$27,500. How much of a difference that is across the state?

Jerry Coleman: I come up with 35 teachers and maybe \$50,000 in two year old data. I have heard the NDEA testify and say it might affect 100 school districts. The bigger question is what impact will that have on their salaries?

Senator Luick: What about \$32,000? How much of a ripple effect would that be?

Jerry Coleman: I don't have those numbers. NDEA would have better numbers.

Chairman Flakoll: We had testimony that said it would affect 2,333 teachers.

Senator Poolman: With the ripple effect, it adds \$4.7 million dollars to the bill.

Chairman Flakoll closed the hearing on HB 1319

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-20-13
20224

☐ Conference Committee

Committee Clerk Signature

Tiffany J. Grose

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened hearing on 1319. We have some amendments being proposed.

Senator Marcellais: My concern is changing the 40 to 20. I have an email from our business manager. (Passed attachment #1)

Chairman Flakoll: I am guessing that is a typo. It should be 20 to 40.

Jerry Coleman, DPI: If they are less than 40% of the state average there is an assumed valuation of 100%. The test is changed to if they are less than 20%, 20% is included in assumed valuation. The test dropped to 20%.

Chairman Flakoll: So the 4008 amendment provides additional funds for those 11 districts.

Jerry Coleman, DPI: The fiscal note on it will be short of 15 million dollars.

Senator Marcellais: 14.8 million.

Senator Marcellais: Move Flakoll amendment 13.0278.04008 to re engrossed HB 1319

Senator Poolman: Second

Senator Marcellais: Did you want to share the overall report I sent you on the email with the 14.8 increase?

Chairman Flakoll: We are okay

A roll call vote was taken to adopt the amendment to re engrossed HB 1319: 6 yeas, 0 neas, 0 absent.

Senator Marcellais: I have a document from the Washington post on the federal sequester. The Department of Education is supposed to cut \$1.9 billion for 15,000 school districts.

Chairman Flakoll: Closed the hearing on HB 1319

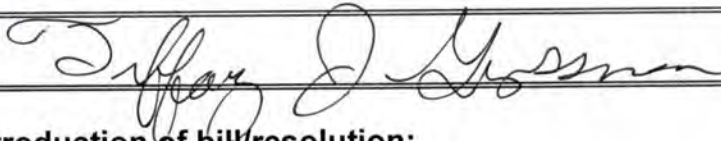
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-20-13
20254

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date

Minutes:

||

Chairman Flakoll opened the hearing on HB 1319 and passed out an amendment (attachment #1) in response to Wayne Kutzer's concern addressing adult farm management.

Vice Chairman Schaible: The addresses page 15, line 10 for the program CTE does with their adult farm management. He wants to add this program they are running. Otherwise the money used for this would be counted against them. It is exempting this program for what is used. It won't count against their formula.

Chairman Flakoll: Carrington has a program where they are the fiscal agent for some things but it is an outside contract not directly tied.

Vice Chairman Schaible: It is an income funding neutral but if it is reported it will have an adverse effect on their formula.

Vice Chairman Schaible: Move to adopt amendment to re engrossed HB 1319.

Senator Heckaman: Second

A roll call vote was taken to adopt the amendment to HB 1319: 6 yeas, 0 neas, 0 absent

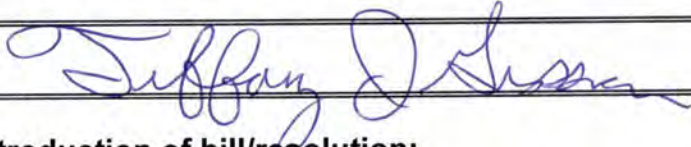
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-20-13
20256

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15.39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: Opened the hearing on HB 1319

Chairman Flakoll: Does anyone have any thoughts on 75 cents on the dollar versus a dollars as a dollar? Certain local funds are only counted partially.

Senator Luick: Why was it ever changed or why hasn't it been dollar for dollar before?

Chairman Flakoll: We were told students moved around and it is more expensive. We are waiting for proof of moving around.

Senator Luick: How does it affect a school district directly?

Chairman Flakoll: If we are guaranteeing \$10,000 and they are getting an additional \$1,500 per kid it could be outside the formula.

Senator Luick: I would be in favor of going to the dollar then.

Vice Chairman Schaible: How many schools would that push over the cap and lose money?

Chairman Flakoll: We will ask Jerry Coleman from DPI. In some cases it is so small in terms of some of them.

Senator Luick: What property is exempt?

Chairman Flakoll: All of those on the list.

Senator Heckaman: I think considering Senator Luick's questions, it would be nice if Jerry would walk us through what happens if you add certain taxes with a hypothetical with an even number.

Senator Luick: Is it a big problem right now? Should we leave it alone?

Chairman Flakoll: We've incentivized them to circumvent the formula.

Vice Chairman Schaible: The biggest effect is the schools close to the limit.

Chairman Flakoll: We may have schools bumping up against the upper cap but they still get money on top of that in lieu of, and they by our action this morning some will get money for rapid enrollment too. All of the different bills together add up to substantial amounts of money. Our problem will be we shifted \$20 million dollars.

Senator Heckaman: Could someone explain section 4 line 8? I don't know what subdivision proceeded by the district's subdivision.

Anita Thomas: If they are in number of DD, that refers to CC on the bill. Jerry can walk you through the mathematical formula.

Chairman Flakoll: It could have to do with the consolidation.

Chairman Flakoll: Closed the hearing on HB 1319

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-25-13
20391

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on HB 1319 Passed out attachment #1 for amendment 2001

Jerry Coleman, DPI: (Explained section 1, levy for retirement.)

Senator Heckaman: In 2015 Fargo and Bismarck will be going to a vote?

Jerry Coleman: Yes they will have to go to the voters if excess levy authority is still in place. They will have to get voter approval for a specific mill levy for no longer than 10 years.

Senator Heckaman: If this bill is in effect, how high can they go up?

Jerry Coleman: Whatever the voters approve. The caps would be waived with the vote.

Chairman Flakoll: Section 38 should read on line 26 "2015".

Jerry Coleman: Yes. Legislative council is aware of that.

Chairman Flakoll: In section 9, it restores current law weighting factors. Page 9 starting on line 11 it has the weighting factors for the upcoming biennium.

Vice Chairman Schaible: Page 10 line 11, the isolated schools changed?

Jerry Coleman: Isolated school definition was changed from 100 to 125.

Vice Chairman Schaible: What is the fiscal effect of that?

Jerry Coleman: Estimated at \$1.3 million.

Chairman Flakoll: Weighting factors were based on historical data.

Jerry Coleman: We have historical spending for districts.

Senator Luick: The weighting factor goes from 125 to 135. Why?

Jerry Coleman: It was designed to get more money to smaller schools.

Chairman Flakoll: Does this affect the hold harmless?

Jerry Coleman: That established a baseline and gives them a rate.

Chairman Flakoll: Could you be at 102% based upon the prior formula and dollars you receive and they could be up against the cap in the second year?

Jerry Coleman: I don't see that as likely.

Chairman Flakoll: How many districts will the school size weighting factor affect? 41?

Jerry Coleman: Any district below 185 in ADM would benefit from the changes. It was 1.25 at 185 and the amendments extend that to 1.35 and the student range is down to 125.

Senator Luick: How was the baseline established?

Jerry Coleman: It is what they generated from mill levies up to 110 and 75% of the in lieu revenue.

Jerry Coleman: Section 11 is the formula. It explains how we established the baseline and then you calculate the adequacy rate times the weighted student units and compare that to the baseline rate, and they can't get more than a 10% increase on that rate.

Chairman Flakoll: Section 11 page 14 is foggy. Explain lines 23-25.

Jerry Coleman: That deals with what they are raising from their levy this year so it is limited to 110. It is capping the mills at 110.

Chairman Flakoll: On page 15 lines 20 and 21 we are trying to give additional homestead tax credits. If we buy that down by 20 million dollars, is that at 75%?

Jerry Coleman: That is all at 75%. That same 75% is included in their baseline and that 75% is subtracted in their contribution for the formula.

Chairman Flakoll: We would have to make up the remainder of \$5 million.

Senator Heckaman: How are those revenues considered now? Are they at 100%?

Jerry Coleman: There is a combination. Mobile home taxes and telecommunications are taken in at 100%. The first four are at 70%.

Senator Heckaman: I am confused why there is the "or" on those sections. 102% or 104%. Some schools will not get that 102 or 104. They may just get the current funding.

Jerry Coleman: There are two tests for the minimum funding for school districts. That is the effective rate they are getting. You inflate that by 2% and multiply that by the weighted student units and compare that to the amount the equity formula gives them. They will get the higher of those two. That is one test. The second piece of that is the absolute dollar hold harmless to their baseline which protects them against losing kids in the first year. If they lost 10 kids through the calculation, that would assure they would get that as the minimum. If they fall below that on the other calculation they will get additional funding to get them up to that baseline.

Chairman Flakoll: If they got \$3 million they will still get \$3 million. That is the true base. The other one is based upon weighted student units. If you drop by 20 kids you still get the \$3 million.

Jerry Coleman: if the weighed student units didn't change at all from the previous year, you will get somewhere between 2% and 10%.

Chairman Flakoll: p 16 lines 22 and 23

Jerry Coleman: The formula is guaranteeing a minimum base of funding based on student units.

Chairman Flakoll: When did we stop making payments to the districts for reorganizations?

Jerry Coleman: There were bonus payments. It was probably 2006 or prior that they discontinued those. This language has been there for quite some time.

Senator Luick: Where did the \$27,500 teacher salary come from?

Jerry Coleman: It was a CPI increase. I was not in on those discussions. On section 16 as the bill exists, it could be unnecessary. As introduced the idea was to have this section be an identity of the property tax relief pieces of the funding but the House has the funding coming from the general fund.

Jerry Coleman: Section 17 is levy authority and just continues. It allows districts to levy to send kids out of their district.

Senator Heckaman: If you get too many applicants is it pro-rated?

Jerry Coleman: I think it is a first come first serve basis. Twice a year applicants are reviewed on this.

Chairman Flakoll: On page 22 line 17 and 18 is the language you are looking for.

Jerry Coleman: The safeguard won't go beyond what is authorized. They have to be a going concern and they have to be able to repay the loan.

Chairman Flakoll: Explain page 22 lines 24 using oil and gas production taxes.

Jerry Coleman: If they are getting an allocation, they can pledge this money. The section would allow that arrangement to not be considered in their local debt for purposes of bonding.

Senator Heckaman: Is that with or without a vote of the district. Do they have to go to a vote of constituents?

Jerry Coleman: I don't believe they would. They are using existing resources. Section 23 deals with levy limitations also.

Senator Heckaman: If you look on the top of 29, this allows the school districts up to 80 mills and we have the other 12 and then there is 5 more that can take some districts up to 95 mills. Is that the top of any district in the state other than Fargo or Bismarck that could be under this law?

Jerry Coleman: Under the discretion of their board. Then whatever the voters approve would be over and above that. The caps apply if that float between 70 and 80 is their cap. The 70 is the contribution to the formula and the 10 mills are discretionary. Section 24 is getting rid of the specifics. On line 23 on page 31 it talks about the 80 mills. The second is the 12 mills.

Chairman Flakoll: Passed out the 4010 amendments (#2 attached)

Jerry Coleman: The first part is a 12% cap that causes an inequity if districts are limited from raising money to dollars and not to their mill levy for their local contribution. There is a subtraction in the formula and what they can actually levy locally on the other side. If they are subject on their local side to a 12% cap this makes sure that is reflected in their local contribution. This syncs them. This makes sure if they are capped on one side, their contribution to the formula is capped too

Vice Chairman Schaible: Does that prevent a school district from having to lower their mill levies because of the 12%?

Jerry Coleman: No. They would still be subject to that 12% cap. Their contribution to the formula would recognize that they are subject to that 12% cap and be adjusted accordingly. The third part relates to those levying something like an HVAC levy. If they had a bond and

they were levying under the authority in that special fund, they would continue to have that levy authority to pay off those bonds.

Chairman Flakoll: Would it grandfather them in because it would be outside the caps?

Jerry Coleman: The bill repeals that section and gives them a 12 mill miscellaneous fund authority. This amendment says they can continue to levy for these bonds they had previously with that old authority.

Chairman Flakoll: In the case of Hazen where they were at 10.19 mills that would be outside of any mill levies in the bill.

Jerry Coleman: If they issue a bond, they can continue to service those bonds. If Hazen had 10 mills, they could continue that until those bonds were paid out. That authority would be grandfathered in to service those bonds. That is about \$3 million a year.

Jerry Coleman: Section 25 is called the technology levy. That is repealed. It says that balance gets transferred to the general fund. Section 26 updates the language. Section 27 eliminates the former hazardous levy. The concept was if you end that you have miscellaneous for special needs going forward.

Section 29 is special reserve funds. They are supposed to use it for salary shortages for emergency situations. They can transfer half of the balance into their general fund without repayment each year.

Chairman Flakoll: The special reserve fund is outside the ending fund balance.

Jerry Coleman: That would be correct. Except for money they borrow and repay. The funding source would be that free mill levy.

Section 30 relates to the special reserve fund as so does Section 31 which is an odd section.

Chairman Flakoll: On page 39 lines 10-11 says you need to put it on the property tax statement language. Section 33 is a study and 34 is to pay for that study.

Jerry Coleman: Section 38 should be changed. It expires before it becomes effective.

Chairman Flakoll: Passed out amendment attachment #3

Senator Heckaman: Move to adopt amendment to engrossed HB 1319

Senator Luick: Second

A roll call vote was taken to adopt the amendment to engrossed HB 1319: 6 yeas, 0 neas, 0 absent

Chairman Flakoll: Closed the hearing on HB 1319

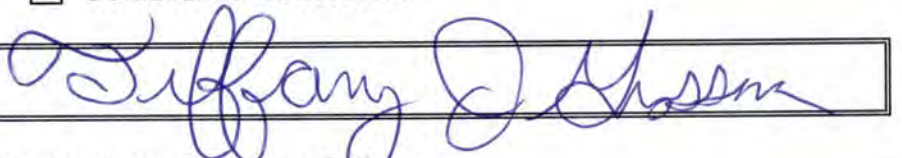
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-25-13
20424

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on HB 1319. I handed out a 4003 amendment (Attachment #1) and explained it. It is a pilot project that deals specifically with those struggling with the autism spectrum disorder. These individuals can do great things with consistency. The intent is some outside dollars would help this program that would be run through the department of career and technical education to provide dollars for the completers. The completers would be based upon completing certain skillsets. It may take them 8 weeks or 8 months. They are very one on one in nature.

Senator Heckaman: This is a nice amendment to add to the bill, especially when you talk about dollars assigned to the completers with no specific timeframe.

Chairman Flakoll: One in 88 individuals has some type of similar autism disorder. England studies said the cost to individuals, families, and society was \$3-5 million per individual.

Senator Heckaman: When the governor's autism task force met we are aware of individuals after the high school system. The state needs to work on this across the age span.

Chairman Flakoll: It could be ages 18, 28, or 48 that could participate and do not need to be high school graduates.

Senator Poolman: Move to adopt the amendment .04003 to engrossed HB 1319

Senator Heckaman: Second

Vice Chairman Schaible: I am not against the idea, I am just wondering if this is the best solution. I understand the concept. Autism has so many levels.

Chairman Flakoll: We already do this in some extent. I view this as a workforce development issue.

Senator Heckaman: Do we need to change the biennium?

Chairman Flakoll: That would allow for preparation time.

A roll call was taken to adopt the amendment to engrossed HB 1319: 5 yeas, 1 neas, 0 absent

Senator Heckaman: Passed out amendment to increase teacher salary (attachment #2)

Senator Heckaman: Move amendment 13.0278.04013

Senator Marcellais: Second

Senator Heckaman: I want to look at increasing the teacher salary to \$32,000. With a number of retired teachers going back to teach, it is important to get a salary people can live on. I heard from people they wouldn't consider teaching here because of the salary. We are not where we need to be yet.

Vice Chairman Schaible: A lot of the salary issues are community based or local entities deciding what they can afford. When I look at the school budget, they are doing what they need to be doing. 70-80% is going to benefits and wages for their budgets. This is just salary and is starting base salary. This is a ripple effect. I will reject this.

Senator Luick: My wife has been teaching for 31 years. She's highly qualified in 47 different areas and was on the bottom of this ladder for all those years. I had thoughts of full intention of voting for the increase. I am hoping that everyone understands where I'm coming from. I think we have a serious issue that needs to be addressed. I feel like I should support this but I can't because the system needs to have an overhaul. I believe merit pay should be considered instead for teachers excelling.

Senator Heckaman: I think there are ways out there where schools take care of issues. The teachers do have some opportunities to move on different levels. They also can take on different activities. The teachers in our community don't have summer jobs. I think there are some options for schools to correct this if teachers aren't doing their jobs.

Senator Poolman: I went back and forth with this too because I have been a teacher who had daycare bills that surpassed my take-home pay for quite a few years so I know what it is like to be on the bottom of the pay scale but I also know it should be a local control issue.

I have a tough time telling them a 22% increase is not high enough. Maybe we should revisit this in a couple of years but I feel the way we compensate teachers is fundamentally flawed. I think I won't support this.

A roll call vote was taken to adopt the amendment to engrossed HB 1319: 2 yeas, 4 neas, 0 absent

Chairman Flakoll: Motion fails 2-4.

Senator Poolman: I have an amendment (attachment #3) I think everyone is overworked and we need to evaluate the teacher and principal evaluation system. We should establish some type of evaluation system that can be consistently used across the state. I would like to see stronger teacher and principal evaluation systems. Principals are overworked and I am interested in bringing outside companies to evaluate teachers and help principals.

Chairman Flakoll: Is it how teachers are evaluated and how principals are evaluated?

Senator Poolman: Yes how each group is individually evaluated.

Senator Poolman: Move to adopt amendment to engrossed HB 1319.

Vice Chairman Schaible: Second

Senator Heckaman: I think some of those things are already being done right now. Schools are choosing to look at training options for their principals and evaluations so I will vote against this.

Vice Chairman Schaible: I think this would be helpful for evaluating teachers in different fields.

Senator Luick: I would like to add to this proposal the evaluation of superintendents. I don't think a board member can do the proper job if they aren't working with that individual day in and day out like the staff of the school district.

Senator Poolman: I would be fine with that. I am just curious as to what is out there for options.

Chairman Flakoll: The whole list of items is a big list. They may have to have more than one committee or subcommittee.

A roll call vote was taken to adopt amendment to engrossed HB 1319: 4 yeas, 2 neas, 0 absent.

Senator Heckaman: I think this section is on overload right now. There is plenty there.

Chairman Flakoll: Closed the hearing on HB 1319

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-26-13
20477

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: passed out the 4014 amendments (attachment #1)

Vice Chairman Schaible: Move amendment 4014

Senator Poolman: Second

Vice Chairman Schaible: This is taking the 70 back to the 50 and I like this because it puts the tax relief all in one spot and makes it easy to understand.

A roll call was taken to adopt the 4014 amendment to re-engrossed HB 1319: 5 yeas 0 neas 1 absent

Chairman Flakoll: I have another amendment 4020 (attachment #2) 04020. They relate to provisions in early identification of learning disabilities. The language is one time before first grade. This could be at very early ages to catch them in a timely fashion. My intent is to test them earlier since we are significantly increasing special education.

Vice Chairman Schaible: What are the test requirements now? My understanding was they are done much earlier than this.

Chairman Flakoll: The language in here is that it should be done before first grade. There is the provision for a parent to opt out of their child being tested. This could be at very early ages. It needs to be done. My intent is to catch it earlier.

Vice Chairman Schaible: Motion to adopt the 4020 amendment to HB 1319

Senator Poolman: Second

Senator Heckaman: Some of this is already being done. My concern is sometimes learning disabilities aren't detectable until they get into the middle elementary grades. Parents can request a testing. This would be mandated and I am not sure that is appropriate.

Chairman Flakoll: Parents can opt out. This wouldn't prohibit them from being tested again later. Part of it was if a student becomes discouraged at an early age and starts disliking school, that can snowball so earlier evaluations could be helpful.

Senator Heckaman: I don't think I can support it.

A roll call was taken to adopt the amendment to engrossed HB 1319: 4 yeas 1 neas, 1 absent

Chairman Flakoll: Closed hearing

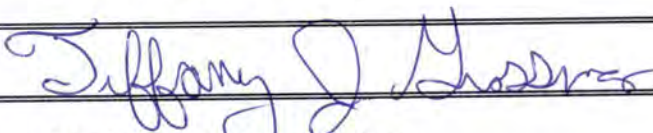
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee Missouri River Room, State Capitol

HB 1319
3-26-13
20507

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: opened the hearing on HB 1319 and passed out an amendment to change the weighting factor for home monitoring from a .50 to a .20 so we are more than doubling the amount we are going to pay to schools. (Testimony #1 attached)

Vice Chairman Schaible: Move the amendment

Senator Luick: Second

A roll call was taken to adopt amendment 4 yeas 1 nea, 1 absent

Chairman Flakoll: Discussed amendment 4010 relating to the 12%. The intent is to help the schools that have a rapid increase in valuation. (Attachment #2)

Vice Chairman Schaible: Grandfathering their mills which would not be effective so this would prevent that.

Chairman Flakoll: At some point Jerry Coleman indicated it would be on the third portion on page 23.

Vice Chairman Schaible: Move to adopt amendment 4010

Senator Poolman: Second

Roll call vote taken to adopt the 4010 amendments: 5 yeas, 0 neas, 1 absent

Vice Chairman Schaible: Can we walk through section 10?

Chairman Flakoll: That was a Brandenburg amendment put on by the House. The number Jerry Coleman gave was 7.5 million for that and 1.3 million for the other factor.

Vice Chairman Schaible: 7.5 plus 1.3?

Chairman Flakoll: Yes. Some districts are way off the charts in terms of cost. Has anyone heard any justification yet? We didn't get a lot of detail on that.

Senator Luick: I've been made aware of the declining enrollment and lower head counts.

Chairman Flakoll: I'm guessing no one heard evidence that the number is wrong?

Vice Chairman Schaible: They gave more money to the schools with less enrollment and made the classification for isolated schools bigger giving them more money.

Chairman Flakoll: They did the 185 students and had lower breakpoints. They increased the definition of small and isolated to 125 up from 100 students. What are your thoughts on the imputation for the homestead tax credits and veteran's tax credits? That has been added. Should it be at par? Don't we have to make up the remaining amount? A couple of these go from 100% such as mobile home taxes to now 75%. What if we make subsections 5, 7, and 8 100%?

Vice Chairman Schaible: What are at 5, 7, and 8 at?

Senator Poolman: Five and Seven are both at 100%. Eight is new.

Chairman Flakoll: I have an email from Jerry Coleman (Attachment #3) There was grant money to reorganize so that is outside the 6 year plan. That is money we use to incentivize districts for consolidation over and above any funding they would get.

Bev Nielson, NDCEL: I am assuming that is on top of what they were getting. The word bonus makes me think it would be in addition.

Vice Chairman Schaible: I have no problem with going to 100% on 5, 7, and 8.

Senator Poolman: Currently they are at 100% so you are just keeping it to 100%.

Chairman Flakoll: Closed the hearing on HB 1319

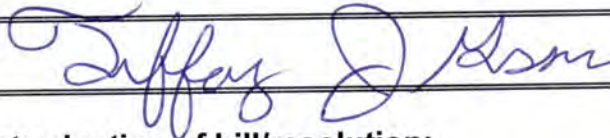
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-27-13
20547

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: opened the hearing on HB 1319

Representative Brandenburg: We look at the new funding being proposed in HB 1319 and the distribution of the formula. The weighting factors took it down from 180 students to 125 students. Small but necessary schools was stopped at 100 students.

Chairman Flakoll: I have a handout from Jerry Coleman (Attachment #1) Do we have data saying this is more efficient?

Rep Brandenburg: They try to be efficient.

Chairman Flakoll: Why is it 1.35 instead of 1.25?

Rep Brandenburg: A small school can never be as efficient. It takes them longer. If you take the weighting factor it impacts what is left of the local tax. A small school can never be as efficient as a larger school. Small schools have other issues like distance to travel. For less than \$9 million we fixed this.

Chairman Flakoll: Some don't think it needed to be fixed. The sweet spot is generally between 400-800 students. Should we have an additional weighting factor for those over

1,000 in enrollment? Once you reach over 1,000 students you lose some economies of scale. Would you support that? We have to look at it from an entire state's standpoint.

Rep Brandenburg: We are considered property rich because we have so much land mass and few kids. When you come to the cities like Bismarck where they have all of these students and have all of the tax exempt land, that is where the debate comes in.

Chairman Flakoll: You made two significant changes including the weighting factors and the small but necessary schools. Are there districts that will receive a double payment? How many would that be?

Rep Brandenburg: My thought was to take it from 185 down to 100 with the same effect. There is a portion between 110 students to 125 where maybe they are getting double paid. The numbers change. Every year they will change. If you lose the small but necessary status, you lose the factor. This was a negotiation in the house. We thought moving it from 185 to 100 was fair. That is my only adjustment if you were looking to make an adjustment.

Chairman Flakoll: We have changed that small but necessary at least 7 of the 8 sessions I have been here. Someone is always on the other side of the line. The more dollars we put towards it, the bigger the ramifications if they fall off the ledge.

Rep Brandenburg: I really think this has helped to satisfy a lot of the needs. Whether we like it or not we are getting a lot more schools falling below 185 students. Schools are 20, 30, 40 miles apart now.

Chairman Flakoll: We all struggle to find what is appropriate and we want it to be lasting but it doesn't seem to be lasting because someone throws changes into it. I think some students will have an additional \$900 dollars because of the weighting factors you put on.

Chairman Flakoll: Closed the hearing on HB 1319

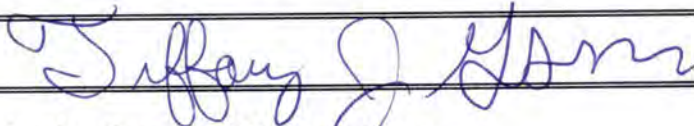
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-27-13
20553

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: Passed out an amendment. (Attachment #1) The 4018 amendments would adjust payment schedules.

Senator Luick: Move to adopt amendment 4018

Senator Poolman: Second

Vice Chairman Schaible: What is the penalty if they are over that?

Chairman Flakoll: They have reduction for funds on a dollar for dollar basis. We have also had discussion about ending fund balance. With the state's share increasing to 80%, school districts might not need as much to provide for their districts. It also requires they are getting paid much sooner.

A roll call vote was taken to adopt the amendment 4018 to HB 1319: 4 yeas, 1 neas, 1 absent

Chairman Flakoll: passed out the 4022 amendments relating to imputations.

Vice Chairman Schaible: Move to adopt amendments 4022

Senator Luick: Second

Chairman Flakoll: There are 8 categories of imputations currently. These amendments deal with three of those categories. The amendments would retain mobile homes at 100%, would retain telecommunications at 100%, and in that number 8 is a new category where it appears we could be double paying. That is at 100% also.

A roll call vote was taken to adopt the 4022 amendment to HB 1319: 4 yeas, 1 neas, 1 absent

Chairman Flakoll: Closed the hearing on HB 1319

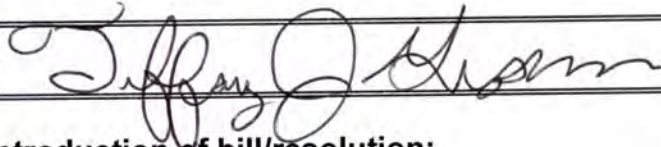
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
3-27-13
20575

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on HB 1319.

Vice Chairman Schaible: I have amendments from the Treasurer's office. (Attachment #1) If we distribute the Gross Production Tax it will be done by the State Treasurer. They felt it was important that the language reflect that.

Vice Chairman Schaible: Move to adopt amendment

Senator Luick: Second

Senator Heckaman: These don't fit in the right places. Maybe they used a different version.

Vice Chairman Schaible: Rescind Motion (7:23)

Senator Luick: Rescind Second

Vice Chairman Schaible: I have another amendment for small and isolated schools. (Attachment #2) I move amendment to HB 1319

Senator Poolman: Second

Senator Poolman: We were double paying them as it is written?

Vice Chairman Schaible: Yes.

Senator Luick: How are they being double paid?

Vice Chairman Schaible: With the factor changes in section 10, the smaller schools are getting a larger factor and more money than they would have without the changes the House made. It goes from 1.35 to 1.25 so it is an increase in payment. If we also include them as a small and isolated school they would get an additional payment.

Chairman Flakoll: The amendment would revert the definition of small and isolated schools to current language.

Vice Chairman Schaible: Yes which is at 100 or smaller.

A roll call was taken to adopt the amendment to HB 1319: 5 yeas, 0 neas, 1 absent

Jeb Oehlke, Deputy State Treasurer: I was working off the marked up version. (Explained where they should go instead) (Attachment #3)

Chairman Flakoll: Why do we want this amendment?

Jeb Oehlke: The State Treasurer's Department will begin distributing the Gross Production Tax to school districts in the new fiscal year. The way the bill is written in the current form has the county treasurer responsible for withholding the loan payments from school district distribution of gross production tax. Since we would be doing those distributions rather than the county treasurer, they would be unable to do those withholdings so it would have to be our responsibility.

Senator Luick: Are we better off leaving it as it is and looking at amending it during the conference committee?

Jeb Oehlke: The amendments the finance and tax committee have prepared for HB 1358 would give the responsibility of distributing the gross production tax to the state treasurer. My gut is telling me that we'll need this amendment.

Vice Chairman Schaible: Motion to adopt the amendment to HB 1319

Senator Luick: Second

A roll call vote was taken to adopt the amendment to HB 1319: 5 yeas, 0 neas, 1 absent

Chairman Flakoll: Passed out 4023 amendments (attachment #4) They deal with the weighting factor assigned to the free and reduced portion. They provide guidance in terms of usage of those funds for the free and reduced lunches.

Senator Poolman: Move amendment 4023

Senator Heckaman: Second

A roll call vote was taken to adopt the amendment to re-engrossed HB 1319: 5 yeas, 0 neas, 1 absent

Senator Heckaman: Passed out amendment .04025 (attachment #5) My schools are looking at a rapid decline in students. Hardly any will qualify under this amendment but there may be some. **I move amendment 13.0278.04025**

Senator Luick: Second

Senator Heckaman: This won't cover all of it but it will cover a few schools. It is an option for schools to consider. If they lose ten students that is a large portion of their funding right now.

Vice Chairman Schaible: Is this an additional 2% over the 100%?

Senator Heckaman: I can't answer that. The schools are just worried in the second year of the biennium they will be in trouble if they lose students. They are concerned about losing money.

Senator Luick: Do we know how long ago this was offered up? Do they know where the current bill is?

Senator Heckaman: Yes. They drafted this off of the rapid enrollment amendment so they are current on the bill.

Senator Luick: It may be a negotiating too later.

Vice Chairman Schaible: Isn't the hold harmless for two years?

Jerry Coleman, DPI: The bill from the house has two versions of the hold harmless which varies with the number of kids they have. The bill does have an absolute hold harmless to their baseline in dollars. They are guaranteed to get that level of funding going forward for the next biennium at least.

Vice Chairman Schaible: If a school of 250 kids lost over 10 kids in the second year of this biennium, would they lose money?

Jerry Coleman: It is to the baseline of a two year hold but they couldn't dip below the baseline and that would be what they received this current school year.

A roll call vote was taken to adopt the 4025 amendment to HB 1319: 1 yeas, 4 neas, 1 absent

Chairman Flakoll: Closed the hearing on HB 1319

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

HB 1319
4-01-13
20707

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on HB 1319

Chairman Flakoll: We will go through this section by section. This is hog house amendment 4028 (Amendment #1 attached) Sections 1-8 have no changes.

Continued to explained adopted amendments and referenced the previous amendment number since they are now all combined into one amendment (Attachment #1)

Senator Heckaman: I am looking at amendment 4020. I thought the number didn't change.

Chairman Flakoll: That won't start yet.

Chairman Flakoll explained additional amendments.

23:21 **Senator Poolman:** On pages 7 and 9 when we talk about the milk or juice provided to students, is it supposed to say "may be used to support"? I thought there was a may. I am concerned it means they have to start doing this.

Anita Thomas, Legislative Council: If we put a may in there it really negates the purpose. In the event they don't have a program, you may want to suggest the money received may be used first to support the program, then for something else if they don't have a program.

Chairman Flakoll: The intent is it would first be used to support that. Does it require them to have a milk program?

Anita Thomas: If they do have a program they have to pay for it.

Senator Luick: I was under the impression it was an issue where if the school wanted to use those funds to provide it, they could.

Anita Thomas: That money is given to a school district and there is no independent tracking of that money.

Senator Heckaman: In that section on grades 3-8, does that limit the schools to only those grades? Grades 3-8 generally don't have a milk break.

Anita Thomas: That is the group used to calculate the amount of money the school district gets. Then according to this, they would use it to support the daily snack beverage who are eligible for free or reduced lunches. That is a separate group.

Senator Heckaman: On page 9 on the authorizing testing, I wanted to ask how many students are normally tested.

Jerry Tevens, Director of Special Education: Last year we evaluated 1,787 students.

Senator Heckaman: This would require testing of 8,000 students.

Jerry Tevens: Yes, roughly about that number. I am also concerned that goes above and beyond the individual disabilities act. It would also require large staff and parental consent.

Vice Chairman Schaible: Motion to adopt the 4028 amendments to HB 1319

Senator Poolman: Second

A roll vote was taken to adopt the amendment to HB 1319: 6 yeas, 0 neas, 0 absent

Vice Chairman Schaible: Move Do Pass and re referred to appropriations for re engrossed HB 1319 as amended

Senator Poolman: Second

A roll call vote was taken for a Do pass as amended and re-referred to appropriations on HB 1319 6 yeas, 0 neas, 0 absent

Chairman Flakoll will carry

FISCAL NOTE
Requested by Legislative Council
02/28/2013

Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,544,324,000	\$140,326,000		
Appropriations			\$1,544,324,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,089,976,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 70 mills and 75% of other in-lieu of property tax dollars, reducing local support for the cost of education from 35% to 27% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 80 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for

calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Changes the mill rate for the local contribution from property taxes from 50 mills to 70 mills. The estimated savings in the formula is \$119.6 million. Section 34 Appropriation: This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 33. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill: Appropriation: HB 1013 Integrated Formula Payments 1,684,550,000 HB 1319 Section 34 Study 100,000 Funding: General fund 1,544,324,000 Tuition fund 140,326,000

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 03/04/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Revised
Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$949,650,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state

reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/16/2013

FISCAL NOTE
Requested by Legislative Council
01/16/2013

Revised
 Bill/Resolution No.: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$944,500,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through transition adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the sum of 2012-13 state school aid, 2012-13 mill levy reduction grants and an amount determined by multiplying the combined education mills levied over 50 mills (limited to 60 mills) times taxable valuation for the 2011 tax year by 2012-13 weighted student units. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 8 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. Section 10 State aid determination: • Mineral revenue in excess of two million dollars received by the school district and reported under code 2000 of the North Dakota school district accounting and reporting manual, is excluded from the formula. The estimated additional cost of the exclusion is \$9 million. • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary

amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/05/2013

March 29, 2013

FB
4-1-13
1 of 34

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

SECTION 2. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.

2034

4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.

22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 3. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.

- 4 of 34
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
 5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
 6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
 7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 4. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations applicable to the property under chapter 57-15. The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 5. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

- ~~1. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:~~
 - ~~a. To purchase, exchange, lease, or improve sites for schools.~~
 - ~~b. To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
 - ~~c. To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
 - ~~d. To provide fuel.~~
 - ~~e. To defray the contingent expenses of the board, including the compensation of employees.~~
 - ~~f. To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~
- ~~2. The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the~~

5 of 34

~~qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements of limitations of this title and title 57.~~

SECTION 6. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to~~may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall ~~cause~~certify the rate for each purpose ~~to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~The city auditor ~~to~~shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~make an assessment roll and tax list ~~to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.~~

SECTION 7. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected.~~

SECTION 8. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

6 of 34

15.1-22-01. Kindergarten - Establishment by board - Request by parent-Levy.

4. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.
2. ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 9. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015) Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and

70134

- (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.0790~~ 0.082 the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or

- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.50~~ 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;

- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or

10 of 34

- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
- a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
 - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
 - g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
 - h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
 - i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
 - j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
 - k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
 - ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;

- e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- l-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

- w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 11. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and

f. An amount equal to:

- (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;
- (3) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
- (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
- (5) All revenue received by the school district from mobile home taxes;
- (6) Seventy-five percent of all revenue received by the school district 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);
- (7) All telecommunications tax revenue received by the school district; and
- (8) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.

2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.

3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.

- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.

- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
 - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 4, and 6 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 5, 7, and 8 of subdivision f of subsection 1.
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.

SECTION 12. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 13. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any~~ any school district that reorganizes on or after July 1, 2007.
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 14. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1.
 - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - (1) ~~The school district's calendar; or~~
 - (2) ~~One hundred eighty.~~
 - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - (1) ~~The school district's calendar; or~~

- (2) ~~One hundred eighty-one.~~
- e. ~~Beginning with the 2011-12 school year, average~~ Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:
- (1) a. The school district's calendar; or
- (2) b. One hundred eighty-two.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
- a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
- b. The two days set aside for professional development activities under section 15.1-06-04; and
- c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
- a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
- b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
- c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 15. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1. a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

170434
b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.

c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

SECTION 16. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. ~~Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~

2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 17. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

2. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 18. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

18 of 34

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 19. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 20. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. Two hundred million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or ~~eighty~~ ninety percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ four hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 5.4. If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or ~~seventy~~ eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~ three hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 6.5. If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~four~~ ten million dollars or ~~thirty~~ seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ three hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 7.6. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8.7. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9.8. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless

200f34
of any rate discount for which the district might otherwise qualify under this section.

10. ~~The superintendent of public instruction may adopt rules governing school construction loans.~~

9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.

11.10. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 21. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed

21 of 34

thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ using the proceeds of levies, as permitted by section 57-15-14.2.

SECTION 22. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 23. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of

amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;

- b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant

23 of 34

under section 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 state aid under chapter 15.1-27 for the budget year.

- e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 state aid under chapter 15.1-27 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 24. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations Voter approval of excess levies in school districts.

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 2. ~~b.~~ In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
 3. ~~c.~~ After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
 4. ~~d.~~ The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
 - e. For taxable years beginning after 2012:
 - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred thirty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by sixty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.

5. f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~ No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 25. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account~~School district levies.~~

- ~~1. A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
- ~~a. Board and lodging for high school students as provided in section 15-1-30-04.~~
- ~~b. The teachers' retirement fund as provided in section 15-39-1-28.~~
- ~~c. Tuition for students in grades seven through twelve as provided in section 15-1-29-15.~~
- ~~d. Special education program as provided in section 15-1-32-20.~~
- ~~e. The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12-1-08.~~
- ~~f. A final judgment obtained against a school district.~~
- ~~g. The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- ~~h. The rental or leasing of buildings, property, or classroom space.~~
~~Minimum state standards for health and safety applicable to school~~

building construction shall apply to any rented or leased buildings, property, or classroom space.

- i. ~~Unemployment compensation benefits.~~
 - j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
 - k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
 - l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~
 - m. ~~Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
 - n. ~~Establishing and maintaining school library services.~~
 - o. ~~Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
 - p. ~~Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
 - q. ~~Establishing, maintaining, and conducting a public recreation system.~~
 - r. ~~The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
 3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~

1. The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund. For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by the sum of the 2012 mills levied for the district's general fund, high school tuition, and high school transportation.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before January 1, 2013.

SECTION 26. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy—~~Voter approval.~~

- ~~1. The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be~~

~~used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~

3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~ On July 1, 2013, each school district shall transfer the remaining balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 27. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) The erection construction of new school district buildings or and facilities, or additions to old;
 - (2) The renovation, repair, or expansion of school district buildings or and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district;
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (2)(5) The payment of rentals upon contracts with the state board of public school education;
 - (3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57;
 - (4) Within the limitations of school plans as provided in subsection 2 of section 57-15-16; and
 - (5)(7) The payment of principal, premium, if any premiums, and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.

- ~~(6) The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.~~
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 28. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies—Multiyear mercury and hazardous substance abatement or removal—Required remodeling—Alternative education programs—Heating, ventilation, and air-conditioning systemsDiscontinuation of special funds - Required transfers.

- ~~4. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:~~
- a. ~~Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;~~

- b. ~~Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;~~
 - c. ~~Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;~~
 - d. ~~Providing alternative education programs; and~~
 - e. ~~Providing funds for the repair, replacement, or modification of any heating, ventilation, or air conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air conditioning engineers, incorporated standards.~~
2. ~~All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.~~
3. ~~All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.~~
4. ~~All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.~~
5. ~~All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.~~
6. Any ~~On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys remaining in the required remodeling fund after completion of the remodeling projects, any funds, any moneys remaining in the alternative education program fund at the termination of the program, and any funds~~ moneys ~~remaining in the heating, ventilation, and air-conditioning upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 29. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 30. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed that which could be produced by a levy of the maximum mill levynumber of mills allowed by law in that district for that year.

SECTION 31. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered

32 of 34

building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board,~~

2. ~~Annually, the board of the school district shall transfer to the school district general fund any part or all of the investment income or and interest earned by the principal amount of the school district's of the special reserve fund.~~
3. ~~On July 1, 2013, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.~~

SECTION 32. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such the special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 33. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.

4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~:
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
 - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota

students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.

4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 36. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. For the 2014-15 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
2. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.

SECTION 37. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 38. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 39. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 40. EXPIRATION DATE. Sections 10 through 12, 15, 16, 20, and 31 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 41. EFFECTIVE DATE - EXPIRATION DATE. Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

Date: 3-1-13

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Luick

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

you can't buy down to less than 1%

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Mascellais Seconded By Poolman

[illegible]

Total (Yes) 9 No 1

Absent

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Change 40% to 20% test

Date: 3-20-13

Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Heckaman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

adult fam management #1

3-25-13
Date:
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken adpt amendment A 04003

Motion Made By Poolman Seconded By Heckaman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓	✓	Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

grant for autism spectrum disorder

Date: 3-25-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

1319

Senate Education

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

adopt amendment

Motion Made By

Heckaman

Seconded By

Luick

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes)

6

No

0

Absent

0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Page 40 line 26 replace "2013" with "2015"

Date: 3-25-13
Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken adopt amendment 04013

Motion Made By Heckaman Seconded By Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll		<input checked="" type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	
Vice Chairman Donald Schaible		<input checked="" type="checkbox"/>	Senator Richard Marcellais	<input checked="" type="checkbox"/>	
Senator Larry Luick		<input checked="" type="checkbox"/>			
Senator Nicole Poolman		<input checked="" type="checkbox"/>			

Total (Yes) 2 No 4

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

increase teachers salary to \$32,000

Date: 3-25-13
Roll Call Vote #: 3

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken adopt amendment

Motion Made By Poolman Seconded By Schaible

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Joan Heckaman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

teacher effectiveness & evaluation

Roll Call Vote #: _____

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 139

Senate Education

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By

Seconded By

[illegible]

Total (Yes) 5 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

replace 70 mil/s w/ 50

Date: 3-26-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Luick

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Joan Heckaman		<input checked="" type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Richard Marcellais		
Senator Larry Luick	<input checked="" type="checkbox"/>				
Senator Nicole Poolman	<input checked="" type="checkbox"/>				

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

changes weighting factor from .50 to .20
for schools

Date: 3-26-13

Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 139

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Joan Heckaman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Test for disabilities

Date: 3-26-13
Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
help schools w/ rapid increase in valuation

Date: 3-27-13

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Luick Seconded By Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Joan Heckaman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

adjust payment schedule

Date: 3-27-13

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number p.10 line 12 remove "twenty-five"

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By

Schaible

Seconded By

Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes)

5

No

0

Absent

1

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Small, isolated schools get double payments
this prevents that.

3-21-13
Date:
Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

1319

Senate Education

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

adopt amendment 4022

Motion Made By

Schaible

Seconded By

Luick

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman		✓
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais		
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes)

4

No

1

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

avoid double paying

Roll Call Vote #: 2

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 127

Senate Education _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Ln.ck

[illegible]

Total (Yes) 5 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Treasurer's office distributes Gross Production
tax

Date: 3-27-13

Roll Call Vote #: 3

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.0278.04023

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By

Poolman

Seconded By

Heckaman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Senator Richard Marcellais	<input type="checkbox"/>	<input type="checkbox"/>
Senator Larry Luick	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Senator Nicole Poolman	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Total (Yes)

5

No

0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

provide School lunch funding

Date: 3-27-13
Roll Call Vote #: 4

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1301

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Heckaman Seconded By Luick

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll		<input checked="" type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	
Vice Chairman Donald Schaible		<input checked="" type="checkbox"/>	Senator Richard Marcellais		
Senator Larry Luick		<input checked="" type="checkbox"/>			
Senator Nicole Poolman		<input checked="" type="checkbox"/>			

Total (Yes) 1 No 4

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

rapid declining schools

Roll Call Vote #: 1

BILL/RESOLUTION NO. 1319

☐ Check here for Conference Committee

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider[illegible]

Total (Yes) 9 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 4-01-13

Roll Call Vote #: 22

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13 0278 .0428

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Schaible Seconded By Podman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Flakoll

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1319, as reengrossed: Education Committee (Sen. Flakoll, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1319 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, ~~the proceeds to be used for the purposes of meeting the district's~~ contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

SECTION 2. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of

the state board of public school education if outside the boundary of the district.

6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.

26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 3. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 4. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations ~~applicable to the property under chapter 57-15.~~ The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 5. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

1. The board of education of the city of Fargo may levy taxes, ~~as necessary for any of the following purposes:~~
 - a. ~~To purchase, exchange, lease, or improve sites for schools.~~
 - b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
 - c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
 - d. ~~To provide fuel.~~
 - e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
 - f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~
2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements of limitations of this title and title 57.~~

SECTION 6. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to may~~ levy taxes within the boundaries of the Fargo public school district and ~~to cause such the~~ taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The ~~business manager of the~~ board of education shall ~~cause~~ certify the rate for each purpose ~~to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~ The city auditor ~~teshall~~ calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~ make an assessment roll and tax list ~~to be made and submit the roll to the city auditor with a warrant for the collection of the tax.~~ The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

SECTION 7. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected.~~

SECTION 8. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent--
Levy.**

- 4- The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.
- 2- ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 9. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015)
Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;

- c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.0790~~0.082 the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories

- of proficiency and therefore placed in the third of six categories of proficiency;
- (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.50~~ 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

- (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
 - n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
 - o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;

- ~~f.~~ 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- ~~g.~~ 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- ~~h.~~ 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- ~~i.~~ 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- ~~j.~~ 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- ~~k.~~ 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i-s.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j-t.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k-u.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l-v.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m-w.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n-x.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- ~~o-y.~~ 1.11 if the students in average daily membership number at least 305 but fewer than 310;

- ~~p-z.~~ 1.10 if the students in average daily membership number at least 310 but fewer than 320;
 - ~~q-aa.~~ 1.09 if the students in average daily membership number at least 320 but fewer than 335;
 - ~~r-bb.~~ 1.08 if the students in average daily membership number at least 335 but fewer than 350;
 - ~~s-cc.~~ 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - ~~t-dd.~~ 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - ~~u-ee.~~ 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - ~~v-ff.~~ 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - ~~w-gg.~~ 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - ~~x-hh.~~ 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - ~~y-ii.~~ 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - ~~z-jj.~~ 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 11. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
 - f. An amount equal to:
 - (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;
 - (3) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (5) All revenue received by the school district from mobile home taxes;
 - (6) Seventy-five percent of all revenue received by the school district 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);
 - (7) All telecommunications tax revenue received by the school district; and

- (8) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3.
 - a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
 - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 4, and 6 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 5, 7, and 8 of subdivision f of subsection 1.

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.

SECTION 12. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 13. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. ~~Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:~~
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any any~~ school district that reorganizes on or after July 1, 2007.
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 14. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1.
 - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school~~

~~district is absent during a school calendar, and then dividing the sum by the greater of:~~

- ~~(1) The school district's calendar; or~~
- ~~(2) One hundred eighty.~~

- ~~b. During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~

- ~~(1) The school district's calendar; or~~
- ~~(2) One hundred eighty-one.~~

- ~~e. Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:

- ~~(1)~~a. The school district's calendar; or
- ~~(2)~~b. One hundred eighty-two.

- 2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
 - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - b. The two days set aside for professional development activities under section 15.1-06-04; and
 - c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
- 3. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The

membership may be prorated for a student who is enrolled less than full time.

SECTION 15. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1.
 - a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
 - b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
 - c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

SECTION 16. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

- ~~1. Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~
2. Beginning with the 2006-072014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two2014-15 twenty-seven thousand five hundred dollars.

SECTION 17. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

2. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 18. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 19. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 20. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of moneys in:
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. Two hundred million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and

- c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
- 3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
- 4. If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or ~~eighty~~ ninety percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ four hundred fifty-basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 5. ~~4.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or ~~seventy~~ eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~ three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 6. ~~5.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~four~~ ten million dollars or ~~thirty~~ seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ three hundred fifty-basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 7. ~~6.~~ The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8. ~~7.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9. ~~8.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and

the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.

- ~~10. The superintendent of public instruction may adopt rules governing school construction loans.~~
9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
- ~~14-10.~~ For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 21. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may levy a tax provide for the establishment, maintenance, and conduct of a

~~public recreation system pursuant to subdivision q of subsection 1 of using the proceeds of levies, as permitted by section 57-15-14.2.~~

SECTION 22. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 23. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the

electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;

- b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the budget year.
 - e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year.

4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 24. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations Voter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 - 2- b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

- 3- c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
- 4- d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- e. For taxable years beginning after 2012:
- (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred thirty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by sixty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.
- 5- f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- 2- a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~ No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.

- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 25. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account~~School district levies.~~

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
 - a. ~~Board and lodging for high school students as provided in section 15-1-30-04.~~
 - b. ~~The teachers' retirement fund as provided in section 15-39-1-28.~~
 - c. ~~Tuition for students in grades seven through twelve as provided in section 15-1-29-15.~~
 - d. ~~Special education program as provided in section 15-1-32-20.~~
 - e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12-1-08.~~
 - f. ~~A final judgment obtained against a school district.~~
 - g. ~~The district's share of contribution to the old age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
 - h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.~~
 - i. ~~Unemployment compensation benefits.~~
 - j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement; any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36; any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
 - k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
 - l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~

- ~~m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
 - ~~n. Establishing and maintaining school library services.~~
 - ~~o. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
 - ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
 - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
 - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single-district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~
1. The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund. For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by the sum of the 2012 mills levied for the district's general fund, high school tuition, and high school transportation.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy

must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.

5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before January 1, 2013.

SECTION 26. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.5. Long-distance learning and educational technology levy--
Voter approval.**

1. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 27. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings and facilities, ~~or additions to old,~~

- (2) The renovation, repair, or expansion of school district buildings and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.
 - (3) The improvement of school district buildings, facilities, and real property.
 - (4) The leasing of buildings and facilities.
 - (2)(5) The payment of rentals upon contracts with the state board of public school education.
 - (3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57.
 - (4) Within the limitations of school plans as provided in subsection 2 of section 57-15-16; and
 - (5)(7) The payment of principal, ~~premium, if any~~ premiums, and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.
 - (6) The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
- 2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
 - 3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
 - 4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 28. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies—Multiyear mercury and hazardous substance abatement or removal—Required remodeling—Alternative education programs—Heating, ventilation, and air-conditioning systemsDiscontinuation of special funds - Required transfers.

1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:
 - a. Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;
 - b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;
 - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;
 - d. Providing alternative education programs; and
 - e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air-conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air-conditioning engineers, incorporated standards.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.
3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.
5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a

~~separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.~~

~~6. Any~~On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund ~~after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys~~ remaining in the required remodeling fund ~~after completion of the remodeling projects, any funds, any moneys~~ remaining in the alternative education program fund ~~at the termination of the program, and any funds~~moneys remaining in the heating, ventilation, and air-conditioning upgrade fund ~~after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 29. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
- ~~7. The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 30. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed that which could be produced by a levy of the maximum ~~mill levynumber of mills~~ allowed by law in that district for that year.

SECTION 31. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board,~~
2. ~~Annually, the board of the school district shall transfer to the school district general fund any part or all of the investment income and interest earned by the principal amount of the school district's of the~~ Annually, the board of the school district shall transfer to the school district general fund any part or all of the investment income and interest earned by the principal amount of the school district's of the special reserve fund.
3. On July 1, 2013, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

SECTION 32. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

~~Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such the special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 33. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the

other owners upon their request and the furnishing of their names and addresses to the county treasurer.

3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~:
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
 - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 34. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF
EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts

have effected measurable improvements in student achievement;
and

- c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 36. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. For the 2014-15 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
2. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.

SECTION 37. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 38. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 39. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 40. EXPIRATION DATE. Sections 10 through 12, 15, 16, 20, and 31 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 41. EFFECTIVE DATE - EXPIRATION DATE. Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

2013 SENATE APPROPRIATIONS

HB 1319

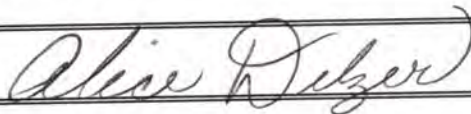
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1319
04-04 13
Job # 20850

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL relating to the determination of state aid payable to school districts; relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study

Minutes:

See attached testimony."

Chairman Holmberg called the committee to order on Thursday, April 04, 2013 at 8:00 am in regards to HB 1319. Roll call was taken. All committee members were present except Senator Mathern.

Sheila M. Sandness - Legislative Council
Sheila Peterson - OMB

Chairman Holmberg: we are looking today at version 5 and the most current fiscal note dated 4/2. We are looking at the money, if there are strictly policy issues, or changes in early testing, that should be taken to the conference committee. We are concerned about the \$1.5B appropriation and the \$140M of other funds. The bill will go to the subcommittee that is the DPI budget because one of the functions of this committee is to make sure the numbers work, that there is no duplication in appropriations, etc...which **is Chairman Holmberg, Senator Krebsbach and Senator O'Connell (Subcommittee)**

Kayla Effertz, Senior Policy Advisor, Governor's Office provided written Testimony attached # 1, stating the governor's Office is fully in support of HB 1319 as it left the Senate Education committee. (Recording segment 3:36 - 3:54)

Vice Chairman Bowman: the original bill came in at \$944 thousand, to \$944, million what is in this bill that jumped it so much from the original version?

Ms. Effertz: See attached testimony #1(4:31 7:02)

Chairman Holmberg: we have as a committee, being getting some emails saying that this bill and the money in it will be the end of small schools, any comments on that?

Tom Nitschke, Kulm School District Superintendent: in support of the bill and provided written Testimony attached # 2, expressing some concerns about an amendment the Senate Education Committee made to HB 1319. I am requesting the Senate to move the number for the small isolated schools back to 125. (7:55- 10:01)

Senator Wanzek: We have to understand there are situations; some schools need to look at consolidation or closing. It is inevitable with got to deal with it.

Mr. Nitschke: In rural areas you are putting a huge burden on these schools, there is nothing to consolidate in that area, it's tough, and we have nearly 600 square miles in our area. We are a necessary school, if your school is growing this bill is good to you, not so if you have declining enrolment.

Senator Wanzek: There are situations where some schools need to be consolidated or closed. It is a fact you need to deal with.

Doug Johnson, Executive Director of the ND Council of Educational Leaders provided written Testimony attached # 3, talked about the fiscal impact of the amendments on this bill. Listed amendments they support, the ones they are neutral on, and the ones they oppose (page 2) (Recording segment 14:10 - 18:10) He also submitted written testimony as follows:

Testimony attached # 4 - From Rick Diegel, Edgeley School District Superintendent in favor of keeping a Senate Education Committee amendment recommendation in HB 1319, Section 11, 4a, page 17, lines 6-8.

Testimony attached # 5 - From Roger Abbe, Superintendent of Schools for the Larimore & Midway School Districts, listing concerns with the bill and suggesting reducing the deduct by 20 mills, which will benefit every district and allow for a smooth transition to this new funding system.

Chairman Holmberg: you are suggesting the change be put off until after 1215, after the next legislative session; after a study which should be conducted between now and 2015, prior to this particular section becoming effective.

Discussion followed between **Doug Johnson**, **Senator Grindberg** and **Senator Holmberg** regarding continued funding of schools with declining enrolment, part of it driven by the desire to keep these schools open as long as possible, that they have the funds to cover their operating expenses. (18:50 - 23:34)

Chairman Holmberg it is an interesting discussion point, because as the state assumes more of the cost of education the state also has an interest in how the money is being spent or saved, before this goes into effect there would be another 2 years of this particular bill.

Duane Poitra, Business Manager, Belcourt ND School District representing 11 Native American school districts, provided Testimony attached # 6. Supports passage of HB 1319 with the Section 12 amendment (24:42 - 27:37)

Chairman Holmberg thank you for giving that information, the earlier bill created huge problems for the schools on the reservation.

Mr. Poitra: We are very pleased an effort was made to correct it, it was an unintended consequence. The formula looks appropriate but the numbers showed some very substantial decreases.

Chairman Holmberg anyone else?

Representative Dennis Johnson, District 15, Devils Lake presented Amendment # 13.0278.04002. Testimony attached # 7. Described the situation with the Adams and Edmore schools cooperative agreement, its dissolution, Park River came in resulting in students in one school and funds in another (Park River). We are talking about 18 students, and getting \$150-58 thousand dollars back. We are using fall count. Rapid enrollment wouldn't work because we only have 18 not 20 new students. We are trying to address this situation with the amendment. (31:28 - 32:50)

Chairman Holmberg the reason this was not introduced in the House education you were still trying to work on it administratively? When that did not materialize you came over to the Senate.

Representative Johnson We can't have a stand-alone bill addressing a particular school district

Chairman Holmberg have you ran this idea past your colleagues in House Education Committee, at the end of the day they will be sitting on this conference committee. (He was told everyone pretty much in the House.)

Chairman Holmberg anyone else that wishes to testify today?

Senator Wanzek A question for **Kayla Effertz**, stands around a couple of school districts that are at a lower mill levy, and they implemented the property tax relief program two years ago now it has been taken away, is there something in here that helped to alleviate their concerns?

Ms. Effertz: This is a change and a shift in the way that we are looking at the model, we are providing more money, they will not be going backwards in their dollars, that will send a message that the state cares and they are, in large part, going to be okay. The simple answer is it is a different look at the formula.

Chairman Holmberg Alan, we will need a breakdown of the funding. There is some in here; there is autism money, consultant's money. They have that broken down for the subcommittee (myself (**Holmberg**), Senator **Krebsbach** and Senator **O'Connell**). We will close the hearing 1319.

Testimony attached # 8, a chart submitted with the breakdown of funding from DPI was submitted after the hearing was closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1319
04-08-2013
Job # 20949

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL relating to state aid to school districts, kindergarten payments & special funds; legislative council.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg opened the discussion on HB 1319.

Becky J. Keller- Legislative Council
Joe Morrisette - OMB

Chairman Holmberg: the concerns we have had are all policy issues in 1319 having to do with authorizing testing of students, at-risk waiting factors, that line between isolated school payments from 125 to 100, and at the end of the day, the monetary reconciliation will be done at the end of conference committees as they go through on 1319. On 1013, the budget bill, which we are not going to do today, and also there is some issues in 1358, but none of them will be finally put to rest until we have made sure the numbers are correct. So at some point today I will be asking us to consider 1319 to send it back to the Education Committee so that they can go to conference committee because there are a number of differences between the House and the Senate on the policy parts of 1319. Any questions on that?

There were none, and the discussion was closed on HB 1319

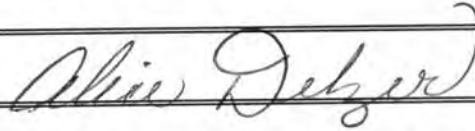
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1319
04-08-2013
Job # 20953

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL regarding to state aid to school districts, kindergarten payments & special funds, and a legislative study. (DO PASS)

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order on Monday, April 08, 2013 in regards to HB 1319. All committee members were present.

Becky J. Keller- Legislative Council
Joe Morrisette- OMB

Senator Robinson moves a do pass on HB 1319. 2nd by Senator Gary Lee . (This motion was missed on the audio) .

Senator Wanzek: made comments regarding this bill and the concern he has for small schools.

Chairman Holmberg: asked if it is in his district, In Kulm?

Senator Wanzek: (Audio started at this time) it's not completely in mine but it's in ours combined and also another small but necessary school in the northern part. I do recall there was some concern about the fact that they changed the small but necessary student numbers, maybe that's a policy issue but it does impact the dollars and when they explained that, if they had 99 students versus 108 or 110, they actually get more money for the 99 because of that move than if they would have 110. In my mind, it should have correlated with each other, 125 students was where the cutoff is, that's where they should have the small but necessary school numbers too.

Chairman Holmberg: I think one of the arguments there is no matter where you draw the line there is going to be a school or schools that are going to be impacted negatively.

Senator Robinson: I agree. There are some issues with the bill. I would hope the conference committee can resolve the issues. We need to move this into conference and stay in touch with those conferees.

Chairman Holmberg: They have to because as Senator Wanzek knows, at the end of the day, this all has to mesh with HB 1013.

Senator Wanzek: There's only one other concern, but I didn't see those folks here, and I think if the issue hadn't been addressed, we had schools again in that last time around, they were not at the full mill levy cap, and they really leaned on us hard about trying to fix that. we heard Senator Cook say this morning that was more or less fixed, I would assume I would have heard if that hadn't been fixed. I feel comfortable in voting for it.

Chairman Holmberg: This isn't the end of the day. Would you call the roll on a Do Pass on HB 1319.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

Chairman Holmberg: This goes back to the Education Committee. Senator Flakoll will carry the bill.

The hearing was closed on HB 1319. .

FISCAL NOTE
Requested by Legislative Council
04/02/2013

Revised
Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,669,824,000	\$140,326,000		
Appropriations			\$1,544,574,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,095,976,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. State taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and a percentage (75%/100%) of identified local in-lieu of property tax sources, reducing local support for the cost of education from 35% to 18% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the public school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and a percentage (75%/100%) of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • The home education supervised factor was reduced from .500 to .200. This change decreases weighted student units by 50. The estimated saving in the formula is \$515,000. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 825 weighted student units. The estimated cost is \$7,315,000. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Identified other in-lieu revenue for inclusion in the formula resulting in a

reduction of \$2.9 million. • Changes in the percentage of other in-lieu revenue included in the formula resulting in a reduction of \$2.7 million. Section 12 State Aid – Minimum local effort – Determination • Changes the minimum local effort calculation to 20% of the state average resulting in an increase of \$10.6 million. Section 34 Appropriation: • This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 33. Section 35 Appropriation • This section appropriates \$250,000 to CTE for a certificate program preparing individuals with autism spectrum disorder for employment in the technology sector. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill: Appropriation: HB 1013 Integrated Formula Payments 1,684,550,000 HB 1319 Section 34 Study 100,000 HB 1319 Section 35 CTE Certificate Program 250,000 Funding: General fund 1,544,574,000 Tuition fund 140,326,000 NOTE: The fiscal note does not address fiscal impacts of HB 1358 (OGGPT) or SB 2214 (isolated school transition payments).

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 04/04/2013

FISCAL NOTE
Requested by Legislative Council
02/28/2013

Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,544,324,000	\$140,326,000		
Appropriations			\$1,544,324,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,089,976,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 70 mills and 75% of other in-lieu of property tax dollars, reducing local support for the cost of education from 35% to 27% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 80 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for

calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Changes the mill rate for the local contribution from property taxes from 50 mills to 70 mills. The estimated savings in the formula is \$119.6 million. Section 34 Appropriation: This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 33. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill: Appropriation: HB 1013 Integrated Formula Payments 1,684,550,000 HB 1319 Section 34 Study 100,000 Funding: General fund 1,544,324,000 Tuition fund 140,326,000

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 03/04/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Revised
Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$949,650,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state

reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000. Expenditures include an additional \$4.0 million for revised budget estimates.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/16/2013

FISCAL NOTE
Requested by Legislative Council
01/16/2013

Revised
 Bill/Resolution No.: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$944,500,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through transition adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the sum of 2012-13 state school aid, 2012-13 mill levy reduction grants and an amount determined by multiplying the combined education mills levied over 50 mills (limited to 60 mills) times taxable valuation for the 2011 tax year by 2012-13 weighted student units. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 8 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. Section 10 State aid determination: • Mineral revenue in excess of two million dollars received by the school district and reported under code 2000 of the North Dakota school district accounting and reporting manual, is excluded from the formula. The estimated additional cost of the exclusion is \$9 million. • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary

amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/05/2013

Date: 2/8-13Roll Call Vote # 12013 SENATE STANDING COMMITTEE
ROLL CALL VOTESBILL/RESOLUTION NO. 1319Senate Appropriations Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Adopt Amendment ☒ Do Pass
☐ Do Pass as Amended ☐ Do Not PassMotion Made By Robinson Seconded By Lee

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0Absent 0Floor Assignment Education Flakoll

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1319, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1319, as amended, was placed on the Fourteenth order on the calendar.

2013 CONFERENCE COMMITTEE

HB 1319

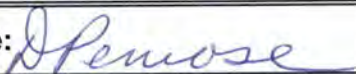
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 18, 2013
21281

☒ Conference Committee

Committee Clerk Signature:



Minutes:

Ch. Nathe: We will call HB 1319 to order. We will have the Senate go through their amendments.

Senator Flakoll: I will explain the amendments in the .05000 version. 1:44 -38:39 (Attachment 1) the Senate Appropriations did not make any changes to the bill. The amendments passed the Senate without dissent. The bill as it was before passed the Senate with a unanimous vote.

Ch. Nathe: In regards to the parental authorized testing, has that been done in this state before?

Senator Flakoll: They do some testing; it is more applicable; we will get into that later. On page 8 starting on line 31, which is section 9 subsection 1(m) this is the clarified language that ensures that schools that do provide milk have funds to trail the students from low income families. Page 9 line 25, would reduce the weighting factor for monitoring home school students. Page 10 line 23, we can carry the special education weighting factor that was provided to us by the House and carried that testing language to include it in both of those sections. On page 11, it defines in language the way local funds are counted regarding taxes.

Ch. Nathe: On page 11 line 13 and line 20 can you explain those?

Senator Flakoll: We did not change those.

Ch. Nathe: That is not page 11 lines 31 that we are talking about.

Senator Flakoll: No. On page 15 of the bill the Senate makes a couple of changes in lieu of the taxes. Page 17, starting in that area there are a number of sections that were changed; we lowered the local base from 70 to 50 mills. In sub-section on page 17, we limited the amount for those Reservation districts that have extremely low local taxable authority which is about 11 school districts. Page 20 of the bill is new language that the Senate added. The Senate Education committee felt that the state picking up more than 80% of the cost of education that schools do not need as many dollars in their rainy day fund.

Ch. Nathe: Is the balance about 25% for the rest of the districts?

Senator Flakoll: We are in the 20-22%. I do have the balances broken out.

Ch. Nathe: If you can give that to the committee that would be great.

Senate Flakoll: We have a report here from Legislative Council's fiscal note that shows in the 2002-2003 school year they had an ending fund balance of \$160 million and now they have in the 2011-2012 year, a balance of \$290 million. Pages 22-24 as the bill came to us it had about \$250 million in low interest loans. We did not change any of that language as it came to us. On the bottom of page 33 lines 28-30 we have language in that area in section 25 that allows them to carry the payment structure forward. In section 34 of the bill we made one slight change adding some language that examined the effectiveness to include principal and superintendent elevations to the systems. Page 42 section 36 provides an appropriation of \$250,000 for a pilot project for the outcome based training program for those that are challenged with the Autism Spectrum. The pilot program requires a report to Legislative Management.

Ch. Nathe: What is the reason for putting that in this bill?

Senator Flakoll: It is one of those that have lots of places where could put it in. Autism is often a situation that doesn't have a home.

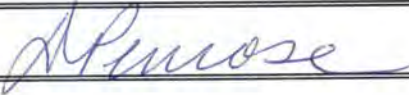
Ch. Nathe: We will look through the amendments and schedule another meeting for tomorrow. We will adjourn.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 19, 2013
21281

☒ Conference Committee



Minutes:

Ch. Nathe: We will call HB 1319 to order. All members are present. We have a quorum. I talked with Rep. Schatz who has an amendment which was passed out. We're not going to vote on it today, but I want him to explain it to us. We will take it up on Monday, 4/22/13.

Rep. Schatz: The amendments before you were from a different bill, SB 2201 (see attached #1). They allow veterans preference in education, section 4 it says "this section does not apply when the position to be filled is that of an administrative head of department required by law, or the chief deputy or private secretary of an elected or appointed official. Temporary committees and individual or group appointments made by the governor or legislative assembly are also excepted from the provisions of this section. If an exempt position is advertised, the advertisement must state that veterans' preference does not apply to the position being advertised." Basically, we had a hearing on this in the House Education Committee and many different things came out of it. We also had a hearing in the conference committee and there are a couple of things I want to highlight. First of all that this is for an interview for the positions of superintendents and teachers. Currently, principals are under veterans' preference, so this would include superintendents and teachers. It also includes some other folks in here as the underscored, overstruck language, stays with the University Systems. We have talked with many different people who have signed off on this. We have the veterans who are very much in favor of this and they have a program called "Troops to Teachers", which I am very excited about seeing the program implemented. I think the presence of military people is very important and I don't think we have too many people in our public schools right now that are veterans, so I think it would be a good thing to have that there. It's about an interview, not a job. It states that quite clearly in here and on sections 3 you're going to see a, b, c, and d and talks about a points system. Currently the principals are under this point system, so that's involved already. The ranking of people who are applying for a job goes from 1 to ??? as applicants, and the fourth section says that the authority shall fill the position from the group of eligible individuals to be considered, the employing authority may further inquire into the qualifications of each individual, eligible individual from within that group which means including interviews, background checks and skills test; so there are other qualifications as well.

Sen. Flakoll: Do the .04035 amendments differ in any way from SB 2201 as it came to the Senate.

Rep. Schatz: No, they do not. Same thing.

Ch. Nathe: Thank you. We will take this up for discussion on Monday. Let's turn to the bill, the .05000 version. We'll go through the sections that we have agreement on. Sections 1, 2, 3, 4, 5, 6, 7 and 8, there has been nothing done between either chamber. Section 12, which has to do with the Native American amendment that was put on. I don't have a problem with it but let's have Sen. Flakoll explain.

Sen. Flakoll: The inability of the 11 reservation districts (11 districts that are found at or near reservations) to have local funds available preclude them from really working very well in the formula and as such, they were on the backside of this. Rather than have it at 40%, after a number of meetings that included a lot of the finance people, Jerry Coleman, DPI; John Walstad, LC; and Joe Morrisette felt that this was the best way. We have it in writing from the representatives of those districts that they are pleased with this. This is one of those matters that depending on how we end up with money, etc., this is as it came to us. If we make some changes, some things just tumble off one way or the other, so I think we just have to monitor that to see if we should make any significant changes.

Ch. Nathe: We can massage this number as we go along.

Sen. Flakoll: But the intent is to try and shore them up on a formula basis so that they don't have a big hit. The latest numbers I saw from Jerry Coleman, were about \$10.7 million so we had to do some roll-up here and there to try and soften that in other areas of the bill. As I stated the other day, the change in the weighting factors for the homeschooling monitors, the bill comes with a few more dollars than it left the House, but we really had to fix that problem, we felt, and I think the House felt that too. There is only so much time in the first half to do everything.

Ch. Nathe: We knew that had to be taken care of, we ran out of town running up again crossover, so we're not surprised by that at all. The fiscal note I have is dated 2/2/13, says \$10.6 million, but that number may have changed a little bit. If any of these sections have to be reworked, we'll bring it back. Section 13, per student payments - reorganizations, there was no touch up there. Section 14 are we all in agreement there. Section 16, Minimum teacher salary, we sent it over going from \$22,500 to \$27,500, the Senate sent out as is. I propose we put that to the side. Section 17, having to do with the method of payment for property tax relief was not touched by either chamber. The levy for tuition payments and the levy to clean up levy language for meals and lodging for 18 and 19.

Sen. Flakoll: This is one of the standing deals where we think we are right now, but depending upon what happens in other bills, and what is referenced here or there, we may have to flip back to it. I want to make that point for everyone based upon the money available.

Ch. Nathe: So 16, 17 and 18, 19, we will put aside. We will go to section 21, 22, and 23.

Rep. Headland: I'm just trying to keep up with you. This is more challenging for me.

Ch. Nathe: It has the determining dollar amount living in the base year as it can't exceed funds received in the new funding formula under section code 15.1-21, if a levy amount is to be increased for the base year. That is particularly taken care of on page 27, lines 28-30. Section 26, again one of these levies that we are cleaning up. The long distance learning and educational tech levy. Section 27, having to do with funds for construction, renovation, repair, improvements to school districts; leasing, that was not touched by either Chamber. Section 28 and 29, discontinuation of special funds and 29 eliminates MLRG reporting requirement for DPI. We'll also look at putting aside section 32 and 33.

Sen. Flakoll: How about section 30.

Ch. Nathe: There are a couple of sections that I want to work on as we go forward, 30 and 31 we have some amendments for those; sections 32 and 33 also. The rest of the changes, such as in section 34, we can discuss those on Monday. That should do it. The rest of the sections we'll discuss or will be affected by the actions that we do. If our actions show that we have to bring one of those sections back in to tweak it, or whatever we have to do, we will take it back.

Sen. Flakoll: Which ones did we agree on?

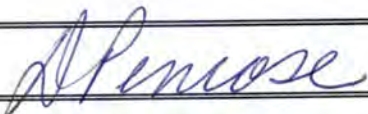
Ch. Nathe: 1-8, 12-14, 16-19, 21-23, 26, 27, 29, 30, 32, 33. That's it. We will meet again tomorrow and go over some of the amendments we have received. Meeting is concluded to today. We will conclude this meeting and meet tomorrow from 10:00 to 11:00.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 20, 2013
21367

☒ Conference Committee



Minutes:

Ch. Nathe: We will call HB 1319 to order. All members are present. We have a quorum. We have several amendments to the bill. The first amendment, 13.0278.04040 (see attached #1), section 33 with the real estate tax statements. This was made up by the Tax Dept. to better clarify what is in the bill. It has to do with section 33, subsection 4a and 4b. It brings in the dollars as well as lists the mills, where on the last two lines, "Savings on this parcel in the amount of _____ dollars is the result of state legislation that reduced the school district's mill levies." This is part of the effort that we've been trying to do to make the statement a little clearer and explain what the state is doing to offer relief and explain the relief to the property taxpayers of ND.

Rep. Headland: Is there anyone from the Tax Dept. that wrote this language that could answer a question. My question is in subsection b, the 2008-2009 school general fund levy on that parcel with so many mills, is the reason that is being spelled out in mills because that was the amount of mill levy reduction grant.

Sen. Flakoll: It would seem my understanding of it would be that we would prefer not to get into the mills talk with taxpayers who just want to know how many dollars do I save, we referenced that as an example in 2008-09, you paid 210 mills, the current school year you pay 52 mills or whatever it might be. The savings on the parcel if we were to charge you 210 mills today versus the 52 mills, what is the difference in dollar amount, is that my understanding of how that would go.

Ch. Nathe: I think it is to show where they were and where we are today; I think just to give it a historical reference.

Jerry Coleman, DPI: That 2008-09 statement was the first year of the mill levy reduction grants so that gives you a basis to make your calculation against.

Sen. Schaible: I understand the intent; when you talk to most people, they kind of know what a mill is, but I would suggest that you put mills and dollars for each one of these every time, because if you have a 2008-09 classification, you say your mills/dollars were and then if you have a comparison there without both mills and dollars listed, they still don't really understand that it's a reduction and a savings. If you don't have the dollars there for each one of them, nor will they understand what that means.

Ch. Nathe: Would you be more comfortable if we struck mills and put dollars in there.

Sen. Schaible: I hate to make the form longer than it needs to be, but I think both would be necessary because if you're basing your tax structure on mills, you need that, but to understand how much of a dollar savings you need the dollar language. I would be comfortable with both, but I would like to see a version of what a statement would actually look like.

Sen. Flakoll: In that case, how would we compare apples to apples? Let's say I added a room on to my house in between those two periods of time. It may change because it wasn't worth as much, then would we be able to keep up. It may reflect a somewhat lower number because eventually we are going to catch up to the 2008-09 over a period of 30 years or whatever, or how does it pertain if you make enhancements to your property.

Sen. Schaible: You could also see your valuations have been creeping so much that you could have the land that was worth so many mills hasn't changed but the valuation has increased drastically and your taxes have gone up and you might have had a reduction and never saw it, which is the case that we have. You need some clarification of what it is, what it would have been if it were the same, and then the reasons for the changes.

Sen. Heckaman: I agree with Sen. Schaible, when we compare the 2008-09, we're comparing different valuations completely. I think that's going to give some false information rather than more accurate information.

Ch. Nathe: I think that was put in there just so that we would have baseline of where we are at; here is where we were at in 2008-09, here is where we are today with all the reductions that we've made since that time; to show them where the starting point is, where we are and in the future we will show it and I think that's why it is in there.

Rep. Headland: I understand why it's there, does it need to be there more than once.

Ch. Nathe: No.

Rep. Headland: It will be on one property tax statement and then moving forward, what would be the reason to keep it on there, because once the formula is implemented, everybody should understand what their base was in 2008-09 and what it is now and how the dollars are going to flow. Is that correct.

Ch. Nathe: Correct, that's how I understand it.

Sen. Schaible: I don't disagree with any of that; the only thing is that in the past several sessions, we've had 75 mills worth of buy down and peoples' taxes have gone up. Where is the credit that the state has bought down these mills? There are a variety of reasons for that, but probably the biggest are the valuation increases. So we've actually, the state gave, 75 mills worth of buy down, did a good job of some tax relief and the taxpayer didn't see it. Not only did you not get credit for it, but the person's tax statement actually went up. So neither side saw the actual affects.

Rep. Headland: I am confused here. I think we're talking about two different things. It would appear to me that we're going to recognize the increase in taxable value and what the state is buying down is going to be captured in (a). I think section (b) is to show the baseline for what your mills were at that time and it's specific to how many dollars you are going collecting in the future.

Ch. Nathe: The verbiage of 2008-09 was used to be more of a comparison and it seems to be causing some angst.

Rep. Headland: 2008-09 is more than three years looking back. The reason it's in there is to reflect what your baseline was at the time we implemented the mill levy reduction grants and I need someone to clarify that. That's the way I see it.

Ch. Nathe: That's what it was. That's what Jerry just said.

Rep. Headland: Then in the current year, the mill levy will reflect what your current mills are and if they are lower, there's going to be a difference in the dollars that flow. I don't really think it has to do with reflecting on increase in taxable value.

Sen. Flakoll: I think one of the reasons why I think I believe that subsection (b) would be in there, like in Cass County, they would report this year compared to last year compared to the year before and now when we started the original property tax, 75 mill buy down has now dropped off. So we're kind of comparing current to current and it doesn't necessarily reflect when we started that program so that people don't necessarily see that. I think as I understand it, the intent of (b) would be that it would lock in the number of mills before we started that program and say what would it have bought down in terms of today's dollars. I have an additional amendment (see attached #2, 2A) having to do with section 24, subsection 5, having to do with the mills and paying down on some bonded debt. I received an email from Scott Wegner who deals in this area. I called him and asked him to come in.

Scott Wegner, Arntz & Stewart Wegner Law Firm, Bismarck: We serve as bond counsel so we help political subdivisions finance projects mostly through tax-exempt bonds.

Ch. Nathe: In your email you had some concerns as far as the date; you asked that we change the date to June 30, 2013 (see #2).

Sen. Flakoll: If we pass this now, with this language in here, do we have to worry at all about clever business managers coming in and running a bond quick so that they come under the threshold before July 1. They could throw in a multi-million dollar in. Right now the amount is about \$3 million per year total as reported by Jerry Coleman, from DPI. Can they logistically pull that off so that we would have to worry about something sliding in on us?

Mr. Wegner: I don't think that is the case. We're aware of about 1/2 dozen districts that are currently looking at bonding under that section and even with those districts it's going to be tight to even complete a bond sale by June 30th. These bonds are sold out into the market

has to be prepared to be shown to the investors. We're only two months out for the June 30th date. Even those six districts, if they do go ahead, will be tight to make it. You'd almost have to have a project going on to have any chance of completing it. Under the federal tax rules, you can't just bond to get the cash, hoping you'll have a project in the future. You have to have a project today; you have to tell the IRS where the dollars are going. You'd have to know today what you're doing with the money. Finally, that statute is capped at 15 mills, so even those that hopefully will proceed; they can only do a project that fits within a 15 mill cap.

Sen. Flakoll: Do you have any idea how much those six projects would be in total that are being worked on at this point. What is the time period we are looking at, 20 years?

Mr. Wegner: That varies quite a bit by district. One of the districts that I mentioned in my email, part of that project is to make the restrooms ADA compliant. That will be a pretty small project. I don't think we are talking more than \$250,000-300,000. They won't take even the full 15 mills I don't think that are allowed under the statute. The statute does allow them to go 15 years. Most of these projects do go for 15 year maturity, so these mills would be on for 15 years unless they pay early. Most of the projects are refinancing, so these are actually to save money. I know some districts are looking at saving hundreds of thousands of dollars of interest savings by refinancing at today's current rates. I also want to be clear; schools can do energy saving improvements through lease agreements. Some of them are looking at refinancing that lease obligation, with this HVAC bond. In other words, they might not currently use the HVAC mills but they would go to refinance an existing lease, but again only for savings. These refinancing obviously only helps the districts.

Sen. Flakoll: That goes to my other question. It may not save them anything but those would already be in the pipeline too, if they are just saying that they are going to take it from this fund and rebond it. Either way they would be eligible under this as proposed by Ch. Nathe. They would either be subject to that currently as the bill to the Committee, or if they were to refinance them they would be eligible under this as long as it happened by July 1, 2013

Mr. Wegner: I think I'm following you. Some of these lease obligations could be paid out of the building fund or the general fund. Now they would be using these HVACs mills, but it's the kind of project that was an HVAC project which is why it would qualify. The new project that I'm thinking of, they wouldn't have any financing in place for that restroom project. So these would be new mills that would be on, but just for the remodel for the restrooms.

Ch. Nathe: The main reason for moving this date would be so that they finish their pending projects, everything that is in the pipeline to make sure that the July date would help them with cost savings.

Mr. Wegner: As a general comment, usually any changes to bonding statutes would always be prospective. Anybody out there can see the date and know that at a date certain in the future they have to be done because from there on, they have no authority. So any date that's back in time is a problem. I'm only aware of six districts statewide that currently have something in the pipeline. There may be more, but I'm only familiar with six.

Ch. Nathe: Thank you.

Rep. Headland: I move the amendment, .04036.

Sen. Flakoll: Second.

Ch. Nathe: Discussion; voice vote, motion carried. We have another amendment (see attached #3) 13.0278.04038. This amendment deals with the amendment in section 9, having to do with the language with the "milk amendment" to better clarify what they could the money for free and reduced lunches for. You can see what it says there, "during the 2013-15 biennium, a school district may utilize resources provided in according with subsection (n) of section 15.1-27.03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act (42 USC 1751 et seq) receive one serving of milk or juice if a mid-morning snack break is provided". This better clarifies that they may utilize those resources and use that money if they wish for a milk break. I prefer this not even be in the bill but it is. I offer this to you as a way to clarify what funds can be used.

Sen. Flakoll: How does it better clarify?

Ch. Nathe: In the bill, working off the 5000 version, page 8, line 31, provided that monies received under this subsection are used to support the provision. I like it where it says that they may utilize it; it just better clarifies what they could use the money for. If they want to use the money that they have, that they receive for free and reduced lunches through the national school lunch act they can. It says they may use it. The bill says it can be used; I would interpret that as they must use that money for a milk act. If they want to fund it themselves or have other donors, they could still do that with this amendment.

Sen. Flakoll: Not page 8, on 11.

Ch. Nathe: On the amendment, it says section 19.

Sen. Flakoll: The way the bill is ordered, 2015-17 is listed before 2013-15. You wish to apply to both sections or one section, that's where my confusion is.

Anita Thomas, LC: What is happening here is a matter of logistics. As it came over from the Senate, this was a policy matter that was placed in the section dealing with the factors. While that's not a major problem now, if it sets a precedent, we're going to have a very long and complicated factor section. We're suggesting with this amendment, is that it be placed in the chapter pertaining to the child nutrition and food distribution. It references the factor, that's what subsection "n" is section 15.1-27-03.1. It's saying that whatever money you get under that section, under the "at risk factor" section you may use for this purpose.

Ch. Nathe: We will hold this. Let's get into the discussion dealing with the amendment dealing with isolated school size, bringing it from 125 to 100 students. We'll have the Senate explain what their thinking was on this amendment. I've had emails from districts that would like to see this back to 100.

Sen. Flakoll: Maybe they would get more money under that.

Ch. Nathe: I think they're on the fence.

Sen. Flakoll: There were two reasons and we actually brought in the author of those categories and weren't really convinced that that needed to occur. Also the fact, that in the bill, had increased weighting factors for those smaller school districts under 185 as adopted by the House and adopted by the Senate. So, in effect, they would qualify for an additional weighting factor, so we didn't think that those between the 100 and 125 needed an additional 10% weighting factor which would translate to \$880-900 per child because they were already getting a bump because of those weighting factors on the other part of the bill.

Ch. Nathe: We had a superintendent from Kulm last week; the other day we had talked about, they liked the formula, this has angst for some of the smaller schools and I know we handed out some information on some of these isolated school adjustments. We had talked about it, and there is a feeling from what I heard from the Senate that they thought that under the House that these schools were double-dipping is that correct.

Sen. Schaible: I guess the double-dipping was just that the increase, it was increased from 135 students to 185 and then it went up in a factor, that's the point with that much money and then moving to 125 schools were also getting two increases rather than what they would have before.

Ch. Nathe: So we bumped the factor at 135 but yet dropped from 100 to 125.

Rep. Headland: What was the impact of that in dollars? I understand going from 125 down to 100 that you were talking about, about \$900. I'm not sure I understand exactly how increasing the weighting factor to 1.35, how does that impact.

Sen. Flakoll: With the weighting factors that were increased from 1.25 to 1.35, that category of schools below the 1.25 would be eligible for a 10% additional payment compared to the current weighting factors. With that they would get about \$900 additional per child times the # of students they have, it could be up to \$100,000 additional per year if you were at 120 kids. If you're at 45 kids, a lot less. The Senate thinking was that if we're doing the \$900, we really didn't want to go to stacking that to \$1800 additional per child which could happen within that beltway of between 100-125 students as proposed.

Rep. Headland: In the green language on the sheet where it says that it eliminates double payments, it's relatively equal to the dollar amount generated because we had mentioned the 125 down to 100 was about \$900 a student and raising the factor to 1.35 would generate about the same amount.

Sen. Flakoll: Yes. It is more of a double payment, a double increase as compared to the current law, as it came to us it was a 20% increase without anything else changing.

Ch. Nathe: It was originally 1.25 in there; it got bumped up to 1.35. You're saying that the other 10% for under 100 is .10, by bringing it up from 125 that's where you get the double payment.

Sen. Flakoll: Just for those that were between 100 and 125.

Ch. Nathe: Are these schools, with what they are currently getting and what this bill does, an increase for that slot of schools with the factor. Are they getting more money under this bill with these factors than what they are currently getting under the old formula?

Sen. Flakoll: I haven't seen a print-out yet, but in terms of the total percentage of dollars available, if all things were constant in terms of enrollment, they would get a bigger sliver of the pie because of the weighting factors.

Sen. Schaible: The other discussion that the Senate had was just a classification of what is a small and isolated school when changing the number. There are just these schools that are just outside the realm, well we always have that no matter where we set that, whether it's at 100, 125 or whatever, somebody is going to be just a little above or below it. We dealt with several bills that extended the payments over a longer period of time and percentage-wise it's the same thing. If we are going to define what small and isolated is, it should be based on a definition of what we think that is rather than who is being affected by it and which school it is. It seems like we're doing a little bit of both, and that was kind of the discussion we were looking at.

Ch. Nathe: The isolated bill is SB 2214, which Rep. Hunskor's been working on.

Rep. Hunskor: I don't like the words "double dipping". I think under 100, I look at it as an additional payment because of their unique situation. They are small; many of them have a large land mass. In this particular case, we are talking about six schools between 100 and 125. Low numbers, extremely large in most cases land mass. If those schools were to close, that creates a severe problem in travelling to wherever they would go to. I believe, if my numbers are right, Jerry Coleman indicated that if these six schools were allowed to get this .10, this additional, not double, but additional, that would amount to a total of \$1.8 million. I believe for the six schools that we would put in there there's a definite need, we're not just doing it to put a number somewhere, and they have a unique situation. I realize that wherever you put that number you have some on either side.

Jerry Coleman, DPI: The fiscal note on that would be \$1.8 million for the biennium and I think it is six schools.

Ch. Nathe: How does 2214 play into that that would be over and above what they are getting out of that bill?

Mr. Coleman: 2214 deals with a different set of isolated schools that is a different issue that is a transition payment for a number of school districts that became ineligible under our current isolated school definition.

Rep. Hunskor: That's the one where those unique schools get a declining payment for the next three years or so and then the transition plays out.

Mr. Coleman: That's correct; they are phased out over four years.

Sen. Heckaman: Analyzing that difference on the .10 on the schools that are 100 and below and the 125, then again at 1.35 and we look at those schools. That's actually like the doughnut hole, there are just some schools that are missing out on 100 and below, and 125 and I think we need to address that somehow. I don't think it's fair to them just because of what their population is to be left out.

Ch. Nathe: Do you have any suggestions on how to address that.

Sen. Heckaman: Not right now.

Sen. Flakoll: I think we provided about \$7 million for these smaller schools with the adoption of the weighting factors which again have never been justified to our liking, aside from that they want more money.

Ch. Nathe: I think we're looking at \$7.3 million if I look at it right. I have been getting quite a bit of email on this parental authorized testing of a student. We've had many emails from different districts here in the state. Could you explain in more detail the reasoning for that? It seemed to cause a lot of consternation out there among the districts.

Sen. Flakoll: I think it came as a result of parent feedback, that they didn't feel that their child had an adequate amount of attention in those early years. People, for example, were talking about adopting a Texas model, where they provide some testing and testing at different age levels that are appropriate. What you might do for a four year old is different from what you might do for an 8 year old. I think some of the consternation was the fear of what it might be versus some of the vision was. I think in Texas, they were talking about the testing lasting less than two hours, because they would have to add staff; when in reality it wouldn't be intended to do that.

Ch. Nathe: I believe that would be the unintended consequence was my feeling. It was my understanding that they would have to hire more staff, more resources in order to do this, if the parents request this. It would put more burdens on these districts to do this kind of testing.

Sen. Flakoll: There is added work, no doubt. The added work is essentially less than 2 hours per child, so you could have a room with a number of children that could be tested. It's not like it is a yearlong test like some people imply that's being referenced. Part of it was to look at early identification because we're hearing the concern about the parents don't necessarily feel that if you have one child, if you have a feeling that something's not right with "Sally" and don't know if they need glasses or don't know what exactly what the problem might be and they don't always know that this could be an option that they could exercise. The feedback I was receiving was based upon the fact that we would all like to have them identified as early as possible because if they aren't identified till they are a 3rd or 4th grader, or later on; they then feel very frustrated. I just received an email from a

parent whose child suffers from a learning disability and they are so frustrated that during school, they stated that they just wanted to kill myself. It's a whole host of issues. By 3rd or 4th grade, if they don't feel like they are getting it, then maybe it's dyslexia and if we can just do something was the belief at an earlier age to identify those so that the teachers would know that they need to be taught in a different environment or need special tutoring so that they can grasp it; they won't get disillusioned because if they become disillusioned and throw in the towel.

Ch. Nathe: Is this one of those things that we pass, and in the emails they are always talking about the undue burden, adding more staff, it doesn't really fit in with their whole intervention model. Is this something that we're going to see down the road where schools are going to step up and say that "you guys are making us doing this testing, now we want you to help us pay for it", or we need a factor, or we need to charge the locals money to do this testing. In a lot of these districts they contract these people out to come in and do it. I understand the intention; I just question whether the process works.

Sen. Flakoll: We are increasing a special education factor by about \$6.6 million in the bill, both the Senate and the House had the same weighting factor which will translate to \$6.6 million additional, not counting the change in the per student payment.

Rep. Hunsakor: I was not up to speed on this issue so I did spend some time talking with three different entities; Jamestown, Sheyenne Valley and Valley City. What you are doing to determine which kids are in need of special help; they have unique problems. Do you see any way that we could improve your way of figuring out which kids need help as early as possible and they all said no? We don't have any way that we know of that we can suggest that you could put into this bill that would improve what we're presently doing. That comes from the folks who work with it every day and they are concerned for their children. Visiting with them, I asked them how long does it take. You have a child; you go through the gamut of testing. They said that until they get through the testing, which is about 35-40 days till they really know at the end for the more severe cases. The way it seems to work is that the teacher in the classroom, if they sense there are any issues at all or a problem, they talk to the principal, go through the cumulative file of the kid and meetings are held with parents, principal, teacher, they call it a response to intervention to determine if there is anything we need to do further. Then they go through a student profile. What can we do? What can we do with that child? They bring in the special ed. people at that point and those who are trained to determine if that young person has a problem and what can we do, what direction we should go in, they have an assessment, and then if it is necessary that person is sent to specialized program to get the necessary help. It sounded to me in talking to them they have a determination that a way of knowing and intervening along the line that they are going to pick up those severe problems very early and they are looking for them. So my question at the end of the conversation was what we could do to improve your current process. All three of them said I don't know how we could do any better. They did say that a parent can request this total intervention, from one end to the other at any time they want to do that. The other thing, which Ch. Nathe had already mentioned they have a fear in reading this and I can understand that, that is this putting them in a position where they may have to test everybody. I know that's not the intent here, it says parentally authorized, but that's one of their fears. Are they going to feel obligated to test everyone, because if they don't and something doesn't turn out right, a parent could come back and

say, hey, this is what it says in here? If they are going to do that, they don't have the staff. It would take months and months to go through Valley City, they had 100 kids coming in to Kindergarten and first grade. Are they going to have to do all 100, so that may not be the intent of this but that's some of their fears and when I hear them talk about how they currently do this, I don't see a problem with what's going on.

Sen. Heckaman: I can echo what Rep. Hunsakor said, I did this for 23 years. I voted against this amendment in committee. Basically for the same reasons that Rep. Hunsakor said. First, I think it is against the individuals with disabilities education act that we mass test students. I don't think we can require that as a state looking for a learning disability or learning disorder. But there are many things that the schools do out there right now. There are 4 year old screenings; Kindergarten teachers keep track of the students very well. They give a DIAL or some kind of assessment when the students are exiting out of Kindergarten to see where they are at. The response to intervention that Rep. Hunsakor mentioned is a state initiative. To not get students into special education but to try to keep them out of special education. When you look and some students don't get identified till 3rd grade and there is a reason for that. It's because all students develop and mature differently and their brains mature differently. It's very difficult to qualify a student as learning disordered in the 1st grade. A lot of times they come in and see their categorical delays which is where we know something is wrong and we know we need to start some kind of intervention but we don't know what the diagnosis is yet, so that is out there. A lot of them go into speech and language because their communication skills aren't developed like the other students their age. I opposed this in committee when it came up and I'm not in favor of this right now. The DPI said we assess about 1700 students in initial evaluations across the state. This would, depending on where our elementary population is increasing, anywhere from 7-9,000 students. I've received many calls, visited with many special ed. directors across the state and I'm just trying to reassure them that this will not give them headaches this fall.

Sen. Flakoll: Our intent isn't to give anybody headaches. From the special ed directors I'm getting concerns, from parents I'm getting support. I think the special ed directors, which as has been stated, are all wonderful people who have their heart in the right place, but I think they are looking at terms of current practices and how they look at things. What we're looking at would have been more along the lines of almost the canary in the mine. Let's see if we can pick up through some real quick testing is what it really is, and then if we need to go beyond that with the example that Rep. Hunsakor gave, then you can go into that if that is appropriate. That's what we were looking at more so than really a full-blown 30-35 day type program that fits what the traditional testing is.

Ch. Nathe: I think it opens up another whole set of problems. Right now they are doing all that they can do, they don't really see this language or this amendment as really giving them anymore ammunition to do what they are currently doing or any more tools to work with. My question is, what would this do for a smaller school that doesn't have a special ed person that is a full-time person. I received an email that said that they contract them to come in for a short time during the school year and then they're out. Does this mean that they will have to hire that person full-time, or is it going to be an undue financial burden on them?

Sen. Schaible: Frankly, if a parent is searching for an evaluation, they will probably get it regardless because of IEPs and the rights that they have. In a small school, it gives them the opportunity to expand on it. Like you said an accurate response of someone who do initial surveying and find problems. Then they evaluate farther. I think we're looking for sooner rather than later. I don't think of it as a hindrance. I think it's an opportunity to maybe, in a perfect world is this needed, no, but we're not living in a perfect world and maybe a little more depth into this realm would be helpful. Is it a hindrance to a small school, well, not necessarily? I think small schools without having the luxury of staff in Human Resources and all the other departments will have to contract out, but if that's what it takes to get the services, and if the services are started soon enough and corrects a problem earlier, it is probably cheaper in the long run.

Rep. Hunsakor: In response to Sen. Flakoll, he indicated that parents had concerns and if that is true, a parent has the right to request this, then it seems like they would just go to the school and request this intervention, testing and that would take care of it, so the parents must have a problem with, if they can go and request it, then they must have a problem that the intervention is not being done properly.

Ch. Nathe: How would your amendment be different than what is currently done now.

Sen. Flakoll: This would be a little earlier. For example, some parents may not be able to recognize that there are some problems so they wouldn't know to go and ask for any testing for some behavior that might be atypical for a 3 or 4 year old. Some of these problems don't show up until later in the child's life, with dyslexia, it may be easier to identify it at a later stage, because the provisions in it in terms of how you test. Those who have already been through that, not those who currently have the 3 or 4 year olds that can request it.

Rep. Hunsakor: Just a comment, if that's true and it can't be detected until later in life, they wouldn't have picked it up in kindergarten or first grade either.

Sen. Flakoll: Correct, but some you can.

Ch. Nathe: We will take this issue up again. We are adjourned.

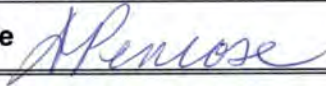
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 22, 2013
21384

☒ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We have a few amendments to take care of today.

Rep. Heller: This amendment was brought to my attention by some superintendents who felt that when we initially passed this section of Student Performance Strategist that this was probably overlooked as who would be qualified to be one (see attached #1). This amendment would allow a teacher who holds a special education endorsement to be a student performance strategist and that is all the amendment is about.

Sen. Heckaman: When you look at "hold a special education endorsement" could that be in speech and language then, or OT/PT. If they hold a special education endorsement, could that endorsement be in speech and language, or intellectual disabilities, or what does it have to be in. These are all endorsements.

Rep. Heller: As far as I understood, they had to have a special education endorsement.

Geraldine Teevens, Director of Special Education, DPI: Relating to special education endorsement, there are endorsements in specific areas. It can be intellectual disabilities, speech and language; it could be a strategist who has an endorsement intellectual disabilities, learning disabilities and emotional disabilities. I am wondering if this is referring to a special education license, which would be a four year degree in special education.

Ch. Nathe: It says in 1b, "Must be licensed to teach or approved to teach by the Education Standards and Practices Board and hold a special education endorsement".

Ms. Teevens: I would almost read that as having a special education license plus an endorsement.

Sen. Heckaman: The way it is written, there is some confusion, because you could be licensed to teach and approved by the Education Standards and Practices Board in ND and in addition hold a special ed endorsement in some area, and still that wouldn't qualify you to come in and work with learning disabled children in the state. I think there needs to be some clarification on this. There is a special education strategist endorsement and I'm not sure if that is what they are looking at or not. I understand the meaning, but the way it's written, it's not getting to where what they mean.

Ch. Nathe: Thank you. We will hold on to this. Amendment from Rep. D. Johnson (attached #2).

Rep. D. Johnson: The amendment addresses is a school district that was in the process of getting a cooperative agreement and then they failed to reorganize in that cooperative agreement. In this process, we have school A and school B, where the elementary school kids were going to one school district and the high school kids were going to the other school district. When it fell apart, and they didn't reorganize, school C came in and took all of school B's property and the student count for the next year. There are a few open enrolled schools in school C, but school B, the students were all going back to school A and so they have to get their elementary program going again. The money didn't follow the first year; it wouldn't until the second year. They can't take the money away from school C, so we're trying to figure out how to help school A organize again so they can have a K-12 program in their school. We tried to work this entire session and this bill came in late to the Education hearing on the House side, so it was really too late to get anything going there. We're still trying to figure out some way that we can reimburse the school for these new students. It is a one-time deal, because next year they would be the student count to pay for the students.

Ch. Nathe: What is the fiscal impact of this amendment?

Rep. D. Johnson: I am using the numbers that are in 1319, so there are 18 students involved, so it would be roughly \$158,000.

Ch. Nathe: Is this one of the things that is going to come back every session.

Rep. D. Johnson: You use the fall count from the previous year, so once this happens, it is a one-time deal; next year they will have a student count to fall back on. We're trying to make this work.

Ch. Nathe: Could you give the Park River example.

Rep. D. Johnson: Edmore and Adams have this cooperative agreement that didn't work. Park River got all Adam's land and the student count, 27 students without the students. You can't take money away from the school, that's the way the law works, so they are getting a nice \$228,000 bump for next fall without the students. Edmore is trying to get their program going again without the money. The students want to go back to Edmore because that is where they are from. In this agreement, the elementary are going to Adams and the high school students were going to Edmore. So some of the teachers are also going back and forth and now they are all going back to Edmore. The location of Edmore, up there, we had legislation earlier on these isolated schools and there really isn't any direction for the students to go there. The community wants to keep the district going, they have 71 students.

Sen. Heckaman: When I look at the dates in here, is this for a payment for this current school year or just impact next school year.

Rep. D. Johnson: It will be for the coming year. They have their numbers for this year and are finishing it out this year. Next fall when they start again, they will be short payments for 18 students. The reason that Park River is getting paid for 27 students, that's the number of students that are at Adams this year. The number of students going back to Edmore and with declining enrollment and high school graduations, etc. there are only 18 new students all together. That's where we are coming from with the number. Instead of just trying to come up with a number to make this work, we used the 18 students.

Sen. Heckaman: So the students haven't moved schools yet this year.

Rep. D. Johnson: They are still with Adams this year until the close of school in May.

Sen. Heckaman: I was just wondering about \$3910 versus the \$8800.

Sen. Schaible: You said this was a failed coop agreement between A and B.

Rep. D. Johnson: Yes.

Sen. Schaible: Then C got involved and took all the land. I would imagine that they took all the land by annexation hearing?

Rep. D. Johnson: I would assume, I don't know the process.

Sen. Schaible: If they are going to take the land they'd have to go through a hearing process where both counties/sides get to vote on it, it's got to pass by a majority of both sides. I would imagine that the land was transferred to school C by a hearing and approved by the state hearing which also is a very difficult process. But it's also a process where the local patrons that own the land and live on that land also have a say in that. It must have been what they thought was right. In other words, when the land deals go from one district to another, the side that gets the land is very happy. If the process was done where the land was now part of school C.

Rep. D. Johnson: That is correct, this is a failed cooperative agreement, and so school A didn't have a part in what occurred over there in B and C. Although their students were over in school B, they had no part in what transpired as far as annexation because they weren't an official coop.

Sen. Schaible: So this was not reorganization, it was a coop, and a coop is basically agreement on a one year contract, by mutual agreement that they continue services that they contract to do. I know districts that are in coops and contracts, but basically the agreement ends at the end of the year, until they renew it.

Rep. D. Johnson: They had voted to dissolve that coop agreement, not to renew it, that is why they are going back to what they have. There is also a concern about the ending fund balance and that has been heard on different discussions. I believe the numbers you have in front of you is like 45%. They have definitely spent that 15% and it will deficit spent another 75% of that and possibly the board is in discussion right now of going to the vote of

the people to increase their mills because of the lack of money they will have to get this going.

Sen. Schaible: Since this is a coop agreement, I believe they can resolve that by one school district's saying they don't want to be a part of that anymore, so it's only one side that can get out of it.

Sen. Flakoll: Will there be any resulting eligibility for rapid enrollment dollars, because if you are moving 18 students into a smaller district, is there any eligibility.

Rep. D. Johnson: Unless it is changed, and that's how it has gotten to this point, because that was another avenue we were trying because at the time we were working with that bill, there was a minimum of 20 students and we have 18, so that didn't work for us either.

Sen. Flakoll: If we are looking prospectively this fall they would have the 18, they are within one family of going over that level.

Rep. D. Johnson: That would be the case, but 18 is the number they will have. They know what students they have going back and forth now; they are just bringing them back home again, 18 is the number of students affected.

Sen. Flakoll: Through a variety of actions in the Senate and the House, the ending fund balance language, Saturday we reached an agreement on one situation, that may not exceed 25%, and in this bill we have a gently down treading ability for them to have larger ending fund balances. Are you okay with some consideration of that?

Rep. D. Johnson: We are trying to make this work. I think with their cooperative agreement I think that is why their fund balances has gotten to where it is, because they have been trying to save and trying to make this work, and their ending fund balance has grown. Keep in mind; it has gone down 15% of the 45 they have chosen and an additional 75% of that. When they get to the final percentage, with what they have left, I guess we would have to see that happen too.

Ch. Nathe: Thank you.

Bob Marthaller, DPI: I just thought that I could help clear up a little bit about how this has all come about. Adams and Edmore had been participating in a cooperative agreement. That has gone away and Park River and Adams have gone through a formal reorganization process. They've already reorganized. I think the purpose of Rep. D. Johnson's amendment is to simply hold Edmore harmless and to provide some supplemental payment for them. But there has been reorganization between Park River and Adams and Edmore is then kind of on its own out there.

Sen. Schaible: Knowing of some other districts that are also having some issues with their cooperative agreement, this is one instance but there are several that I know of across the state that are also having issues with their coop agreement. Would this open the door for hold harmless clauses in those instances?

Mr. Marthaller: I suspect that could happen. I know that there is at least one right now where they are having some difficulty.

Ch. Nathe: Thank you. We will mull this amendment over. I have an amendment (see attached #3). The amendment has to do with construction loans in section 19, subsection 1b. Right now, the bill states it is \$250 million for school construction, \$50 million coming from the coal and the remaining \$200 million coming from strategic investment improvement fund (SIFT fund). The amendment before you would reduce that from \$200 million down to \$100 million. Reason being, we all received a sheet showing some of the districts construction needs. I think right now it shows \$166 million worth of needs out there right now. With the amendment it would be bring the language from \$250 million that would be available down to \$150 million that would be available. To pull the \$100 million out was a request, SB 2187 having to do with loans for hospitals out in western ND. That is why the amendment is before you. In my estimation, I think it is a good idea. We would be opening up the money to help hospitals in western ND with their issues and also help the school construction needs here in ND. When you look at the sheet we received, some of this is needed, and some of it is a wish list. There are schools out east that are asking for quite a bit of money and again, it is my understanding and feeling that the money in HB 1319 should be used for schools that could really use this. I question whether some of the schools on this really need the funds. I would rather see the money help out the hospital situation and the issues that we have there and to help with the schools here.

Rep. Hunsakor: Is the intent of the \$100 million hospitals, period.

Ch. Nathe: Yes. We will mull that over. Let's take up the amendment that we heard from Rep. Schatz having to do with veterans' preference. It would only be for the interview process only. It would not be for the job selection process and would include superintendents and teachers. There was support from the veterans' groups on this, etc.

Sen. Schaible: This actual bill started out as a veterans' preference exemption in current law, which currently allows superintendents and teachers to be exempt. This bill also included principals to that exemption list. That's how it left the Senate. The version is exactly what came out of GVA as that bill. That bill went into conference committee and it came to the floor of Senate and voted that exact language down. There are several reasons for that. The original bill came out having teachers and superintendents on an exemption list for veterans' preference and the idea was to include principals. It came back as a 180 degree reversal of that thought. It was always the intention of veterans' preference and the take that I had on this, was that it's saying that any veteran would be granted an interview per se. That's what it says. That's an awful complicated way of saying that. If you wanted to offer a veteran an interview it would just be simpler to just say that. Large schools probably have a resource person in place and this veteran preference point system is probably already being used already and I would guess that at most times. Currently small schools, when your principal and superintendent are your resource person and everything else, they would be the ones that would be in charge of not only setting the system, implementing the system and training for it, is a very short timeline to do that. I don't think any small school districts are against veteran's preference, but I think this is a complicated way of doing the intent that you want. I keep hearing that this is about granting

them an interview. Looking at what you have to say that, is a complicated way of doing it and I guess for those reasons I am opposed to this amendment.

Rep. Hunskor: Hearing your thoughts on this, even though it may be a complicated way, if good comes out of it for the veteran, it seems like that would be okay even though it's complicated. Do you see some way to adjust this bill the way it is to make it so it isn't complicated and still get the job done?

Sen. Schaible: I wasn't part of the conference committee but I was there for all of the meetings and the discussion was is there an easier way to do this. The second, the reversal of the direction of this bill. There wasn't a hearing on the Senate side for that. In talking with the entities that have concern with this, the question is were they for or against it. I think if you're going to have that discussion, it needs to go through the full realm of the availability of the full intent of what this bill was trying to do and then every entity has a chance to voice that on House/Senate side. I'm not saying that the input wasn't taken and granted, veterans' preference is important to schools, but the reversal of this idea as it pertained to this and my personal opinion, if it's the understanding that you need to be granted an interview, I think saying that is the best way to do that without this point system. I think the large schools already do the point system. In the small schools it would be a complicated system to implement especially on the short date that you would have. If we want to have the discussions of the importance of veterans' preference in the school hiring realm, that should be the issue that we should discuss all the way through.

Sen. Flakoll: It would be hard for us to justify that having this bill, as a stand-alone bill with SB 2201, which we soundly defeated in the Senate. I'm not sure that we would be representing our position very well on that. We would be happy to include the provisions as it left the Senate from that particular bill. I think some of the things in here are fraught with challenges. At what point would the Board of Higher Education be as it stands now, we have a tiered process we're in; 20 people apply for the position, there will be 5 individuals that by constitution the sifters don't interview. There are no point systems involved. It's in or out, which is the case with a number of these. Then the sifters go and recommend three names to the Governor's office who then interviews the candidates. I have never heard of a point system that was involved in that. Then the Governor recommends a person who then goes to the Senate for advice and consent which is part of an interview process. The other thing with athletic team coaches, those positions often happen very quickly and I'm not sure we are doing veterans a service by having three candidates coming in for a basketball coach position and you have two qualified and 1 veteran, you want the veteran to know he has a chance. That is why I would resist those amendments as they are now. I'm not saying that there isn't some other common ground that could be moved with respect to the K-12, but as it comes to the others, not so much.

Rep. Hunskor: My thought would be that this is a good direction to go with the preference points. Can this bill be worked on in this committee with an amendment or two that would make it more like the Senate had it and still get the job done, so we don't do away with it?

Rep. Headland: I understand the concerns of the Senate and I understand that we have to act on these amendments that are offered to us. I think it is a worthy project to pursue. I move the Rep. Schatz amendment .04035.

Rep. Hunskor: Second the motion.

Ch. Nathe: Clerk will call the roll.

4 YES 2 NO 0 ABSENT MOTION FAILED AS TWO SENATORS DID NOT AGREE

Ch. Nathe: Some of the amendments that were put in. Back in section 20 with the school construction loan language, the Senate had changed the language back to state treasurer from county auditor. I was just wondering if you could better explain that. I remember the treasurer came in during our hearing and asked to be removed.

Sen. Flakoll: Then came into our hearing and asked to put it back. That is one of the bills that need to move forward before we really come to an agreement. It needs to be counted.

Ch. Nathe: Section 34, on the study for the effectiveness of school officials. That in and of itself could be a study in a separate bill.

Sen. Flakoll: It is a lot to handle. There are a number of good issues in there. It is a significant amount of work regardless of that provision or others.

Ch. Nathe: I wouldn't be against that, if that was a study, but if it were separate. The study as we passed it out, has more to do with the K-12 formula, how we get there, how we go forward with the formula, etc. that is what the study had to do with. Now we're bringing in evaluations of superintendents, principals, etc.

Sen. Flakoll: The House had a portion of that. I think we added principals and teachers to it.

Ch. Nathe: We will meet again this afternoon for around 30 minutes. Meeting closed.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 22, 2013
21415

☒ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will open the hearing on HB 1319. The amendment (see attached #1, 13.0278.04043) works on the 12 mills. The formula was 50 mills plus the 10 mills from the general fund and the 12 mills for the miscellaneous. The amendment says that if their ending fund balance of 25% or less, they can then access those mills, no more than 3 mills a year with a limit of 12 mills. If their ending fund balance is under 10%, they are then able to access 6 mills a year. That would be section 2b would be the 6 mills if under 10% ending fund balance and section 2a would be if they are under 25% of ending fund balance there, they are able to access 3 mills per year. The reason that I am submitting this for your consideration is this bill is to go ahead, we have heard a lot of comments from the schools whether they may take this. Right now, when you take a look, there are 36 schools out of 180 schools that are taking these misc. mills right now. There are 144 districts that are not taking these mills. The average mill of the schools that are taking it, I think it is 1.4 is what I show. If a school currently is taking those mills, they still keep those mills. If your school already 5 mills in the misc. and they are under 25%, they can go and access three of those mills if they need to increase that. We are not touching what they currently have.

Sen. Flakoll: Please repeat what you said.

Ch. Nathe: Under section 2a, if a school's ending fund balance is under 25%, they can then access 3 mills a year that are available to them in the misc. 12 mill fund. Under section 2b, if their ending fund balance is 10% or less, they are then able to access 6 of the mills per year. The cap is 12 mills. Nothing would change. If they cap out at the 12 mills, they would then have to go to the vote of the people if they need to get more mills.

Sen. Flakoll: Who can get to 12 mills?

Ch. Nathe: You can get to 12 mills if your ending fund balance is under 25%; you can access 3 of them a year. It's still the 50-10-12. I am just talking about the 12.

Sen. Flakoll: So if a district is at 22 mills, how much is the most they can still cap out at.

Ch. Nathe: If a district is at 20% ending fund balance, and they want to access these mills, the most that they can get is 3 mills in a year.

Sen. Flakoll: The value of doing this is what.

Ch. Nathe: From some of the comments and emails that I've gotten from the districts that don't currently use this, if this bill were to go through they will grab all of these mills. There are 144 districts not accessing these mills right now. We pass 1319 the way it is right now, they are just going to grab all 12 mills whether they need them or not. I am proposing this to make sure that they are qualified to grab those mills and that they need those mills.

Sen. Heckaman: Then there will be some schools that won't be able to get the 12 mills.

Ch. Nathe: Yes. If they have an ending fund balance higher than 25%, they would not; 144 of those districts are not currently using them.

Sen. Flakoll: How many of those already locked in are above the threshold of 25%. You said 36 of the districts are, how many are over 25%.

Ch. Nathe: I don't know. Under this proposal, they would not lose those mills. They would still get to keep those mills, if they are above 25% ending fund balance or not. We're not looking to take those away from them.

Sen. Flakoll: What are the differences between the House and Senate versions?

Ch. Nathe: Your version didn't have this on the bill.

Sen. Flakoll: No, in terms of traditionally, we resolve the differences between the House and the Senate versions and both of us had it at 12. We adopted the same language that the House did for the 12.

Ch. Nathe: We are putting qualifiers on those 12 mills.

Rep. Headland: I'm not sure that this goes far enough. I think giving automatic levy increases when part of the desire of the bill itself is to alleviate the pressure on the property taxes, I think that there should be some further work done to make this a bit more difficult to access. I received a lot of those same emails from superintendents within my legislative district and essentially have said that they are going to grab it all, both the 12 mills and the 10 mills. I think that this should be expanded to the 10 mills as well. I am also wondering that if you have an excess of 25%, if you should be allowed any increase until your ending fund balance falls below where it would meet these requirements.

Ch. Nathe: With these requirements, if the ending fund balance is greater than 25%, they could not access those mills under this one.

Rep. Headland: I believe that it should probably be expanded to the other 10 mills, as well.

Sen. Flakoll: A comment about local control. Could we have copies of those emails? I checked with my colleagues and none of us have received any emails (see attached #2, #3).


Ch. Nathe: Along the lines of Rep. Headland's comments as far as bringing these qualifiers to the 10 mills using this exact same language for the 10 mills. What would your comments be on that? We will adjourn.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 23, 2013 AM
21423

☒ Conference Committee

Committee Clerk Signature 

Minutes:

Ch. Nathe: We will open the conference committee hearing on HB 1319. Attendance was taken, all members present; a quorum is present. We have a couple of amendments to the amendments. We will take a look at 13.0278.04041; you will see in 4b, we start with the 2008-09 school year, which is the base for the formula. It shows mills but will also show the equating dollars to those mills for each school district for 2008-09, and then will go along and show the current year's mills, what they were and what they are and the dollars that equate to that. This is wording that would be placed on the property tax statement.

Sen. Schaible: You have 2009, 2010 and 2011 history listed. Say in 2010 you had a valuation increase of 20% and then in the case of schools, it may have a 12% cap. Their mill levies probably went down because the appropriations went up. The dollars are then going to go up, so now when you do a comparison you're going to see that the mills went down and the taxes went up and the buy down would be different. Is that an accurate reflection? You're doing a comparison to see what's actually happened. But it's possible that you may have had a valuation change. If a school district has a valuation growth of more than 12%, they are forced to lower their mill levies. As a taxpayer you look at the statement and it looks like they lowered their mills, when actually they were forced to lower their mills because the valuation went up; is this giving you apples to apples comparison on some of those issues?

Ch. Nathe: I look at it from the dollars' perspective. As we know the public understands the dollars, not very many of them understand the mills. I'm more concerned about having the dollars in there, showing the dollar to dollar comparison. That's the reason why we had it the way it was.

Rep. Headland: Well the idea is to show the taxpayer how much the state is contributing to their property taxes and the number at the bottom is going to be what the state has put into the formula, both through the mill levy reduction grants in the past and now the new formula.

Sen. Schaible: I agree with that, but sometimes a valuation increase will eat up some of the work that the buy down has accomplished. So you're not getting a true picture of that.

Ch. Nathe: The next amendment (see attached #2, 13.0278.04042) having to do with the amendment that Rep. Rep. Heller had presented to our committee yesterday.

Rep. Heller: In order to encompass the concerns that were related to allowing a teacher with a special education endorsement, we added a couple of words in 1b, and it would "Be, licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and..." That would encompass all of the different caveats that Sen. Heckaman was referring to. I think that covers that area. Then anyone with any of the endorsements on a special education endorsement would qualify.

Ch. Nathe: Did you run this by DPI.

Rep. Heller: Yes.

Ch. Nathe: They are okay with the amendment.

Rep. Heller: Yes.

Ch. Nathe: Does this amendment address some of your concerns.

Sen. Heckaman: It clarifies it, but I'm looking at whether this is something we should be looking at right now versus the differences we have between the House and the Senate version. I would like to hold off right now and consider other parts of the bill right now that we're looking at as differences instead of adding something else right now.

Ch. Nathe: On section 36, having to do with the \$250,000 grant in regards to the autism part of the bill. Could you please explain that to us please?

Sen. Flakoll: It's a pilot project designed for those on the autism spectrum in that we know that many times these individuals have challenges in some areas but they are extraordinarily high performing in other areas of educational attributes, etc. They have had programs in other places, not the United States; most notably in Finland has one example of where they have done that. Part of it is, we know that historically it's been 1 in 88 of children have some type of autism. Last week the survey came back and 1 in 78 children now, I think I had heard in Human Services Committee had some form of it. A number of studies have shown that the cost of autism to families and individuals, and the citizens is between \$3-6 million, in part because we have to provide a lot of services. The thinking behind this is if we can move them from requiring services on the Human Services side, to making them qualified for gainful employment, we can really make a change in their lives, their family's lives and then move them from citizens who rely on a lot of state or community services to ones that can essentially pay their own way. We limited it to 30 because starting the second year of the biennium, because it is a pilot project and based it upon the per student payment, again with the concept as I said on the first day, when we talked about moving from going into a situation where we wished to have essentially everyone in the work force or college ready. As an example, they could be code readers, proofing people, which there is a lot of need for. For example, Microsoft said that they would be

excited to be able to hire them because these are high need areas. I think the salaries we see in this range from \$54,000-70,000, I think I saw on one survey.

Ch. Nathe: Why tie it to the student state aid rate.

Sen. Flakoll: It is because the costs to educate each of one of these is probably \$25,000 or so, and that the state would pick up a portion of it in an effort to make them workforce ready. It's a number that is set, rather than pick a random number. We already say we're going to spend that much per individual student on a given year, so it seemed like a good reference point to use the student aid payment as the amount the state would be willing to pay. It certainly will take efforts amongst whoever they select to do the program. It would be one group because there are only 30 people for this project. That's where the reference point would come in.

Rep. Headland: How old are these individual students we're talking about.

Sen. Flakoll: It's not specific in here. We talked about whether we should put an age range in there. I think most people would envision it being ones that have a fair amount of years left to work. I think that would be something where legislative intent, whether in that 21-30 range, those who would have a longer period of time where they can be out in the workforce.

Rep. Headland: I'm wondering if it is appropriate to have this in the K-12 funding bill. It seems to me that there is probably a better area to be dealing with this.

Ch. Nathe: How did we arrive at 30 students?

Sen. Flakoll: It's a pilot, so we picked a number that was significant enough so that we could have some graduates in there, so you can have some data behind them.

Ch. Nathe: How many kids would we be talking about in total, do you think.

Sen. Flakoll: Thirty times \$9,000.

Ch. Nathe: No, how many more kids than 30 are there that are out there. What's the need, if this pilot were to pass what is the need out there who could use the services?

Sen. Flakoll: There could be quite a number of them. Part of this, though, is that they have to complete the program, be completers. That is very different from any other program out there.

Ch. Nathe: But are we opening the door to more students.

Sen. Flakoll: We're not going to be silly and say that there are only 30 kids out there that have a problem. I think we all recognize that there are many more out there. Our hope is that if this program works, and only pays out on completers, that there will be more kids. I think the unemployment rate for individuals with autism is in excess of 80%. You either pay one way or the other.

Ch. Nathe: Are there job training programs out there right now for these 21-30 year olds.

Sen. Flakoll: I think the problem is that it's not just about skill sets; it's about being able to go into the work place. As an example, the person that works with the autistic individual, will actually go into the work place, and talk to the people who work there in terms of assimilating them, because many times they don't feel comfortable in a traditional work place. Their co-workers have to realize those challenges and understand how to best interface with them so that they can work as a team.

Ch. Nathe: But ND Job Service doesn't have anything that addresses those concerns or those needs.

Sen. Flakoll: No.

Sen. Heckaman: Historically in the past, I've had students that have been on work study or work programs where those with an IEP, they can go out into the workforce and train for 1, 2, 3 blocks a day, 3 hours a day and use that as credit. It enables some of those students that may not be able to attend a training college or training program someplace else, whether it's a one year certificate program, or 2 year program to get some on-the-job training and then they are ready to go. Also, some students with IEPs graduate with a high school diploma and then come back to high school for further training. We have those options in our state right now. Some of those students are able to go ahead and qualify for vocational rehabilitation; but there a number of them that do not and aren't able to qualify for the ND scholarship program. I think this is good because it provides in here that they will train until they get the skills necessary to go into the workforce. So if I would go to Wahpeton and train for something, I have a semester to get a certain amount of training in. If I don't get it I fail the class and probably have to reenroll again. This takes that out of the picture. I think we are looking at some options; the work study or work place program used to be a great program and the funding was cut from that. Schools were asked to go ahead and implement that on their own and not many of them do that anymore. I think that in here they is the opportunity for basically a scholarship for these students to go ahead and do some training, an opportunity for those students that may come back to high school to enter one of these programs if they are in a city where these programs are available. I would like to see something eventually go back into the work training programs that the schools have had. Some schools have taken it upon themselves to continue that and some haven't. I think that is something we need to look at in the future again.

Rep. Hunsakor: The kids/adults that have the more severe cases of autism are they steered into different programs than the milder diagnosed kids/adults, is that the way the program works. Programs for the severe cases and programs for the milder cases.

Sen. Heckaman: I think it depends on the individual. When you look at autism there are so many different degrees of autism. That's why this program doesn't have a specific ending date on it, where students would have two months to train, 3 months to train, 4 months to train. They would be in the training program until they received the necessary skills. For some students it might be 3 months, for others it might be 8 months. It depends on the degree of difficulty that the student has with, not only the learning environment, it's the

social environment and attention needed which varies from student to student with autism. It's hard to say exactly how you would place these because of the different needs.

Rep. Hunsakor: Does this have the potential to encompass all cases of autism, severe, mild, most everyone could be steered into some program.

Sen. Heckaman: It depends on how much money that the state feels that they can put into the program. Right now there is a limited amount of money and a limited number of students. When you consider 1 in 70 some people across the state have autism, and I think Geri Teevans can speak to the total number of diagnosed cases of autism in our public schools. You'll see that it is huge and there needs to be some kind of training program because a lot of these, they don't meet DD (which is developmental disabilities). Working with Voc. Rehab becomes more difficult. They don't meet a lot of other criteria. They aren't able to get the scholarships that regular students have. They are falling between the cracks.

Rep. Hunsakor: If the money was there, all these kids would fall into some program?

Sen. Heckaman: Not all kids would fall into that, because there are many people out in the world of work today with autism that you wouldn't even recognize that they have it, they are very high functioning individuals. There are some that are very low-functioning with autism that wouldn't even be able to enter a program like this. It's not for everybody.

Sen. Flakoll: The person, who is in charge of a similar program nationally, will be in ND on Friday and Saturday if we wish to have him come if you want some more information on things that are being done in other countries. This would be the first of its kind in the country.

Ch. Nathe: Did this come from Career and Technical Education, where did this amendment come from.

Sen. Flakoll: From me.

Ch. Nathe: We will adjourn.

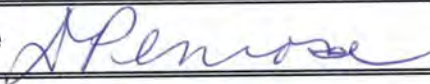
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 23, 2013 PM
21456

☒ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will open the conference committee hearing on HB 1319. Attendance was taken, all members present; we have a quorum (see attached #1 and #1A).

Rep. Hunsakor: Go to page 8, on the 5000 version, line 6, 7 and 8; 1j on line 7, where it says ".10 the number of students enrolled in average daily membership that if the district has fewer than 100 students" and I had discussed this earlier. There are six schools that are involved between 100 and 125 ADM to include those schools in the small, isolated schools; .10 would amount to \$1.8 million, I believe Jerry Coleman had indicated. If all of those schools were considered at one time small, but necessary. All of them have a very large land mass. If those schools were not able to function, it would create a problem for parents getting the children to other schools in the neighborhood; travelling distance would be involved. Last year, those small schools did not, those between 100 and 125, did not qualify as a small isolated school, so they missed out on that particular payment. Even though they would qualify on the 1.35 and get the .10, which you could call double dipping, I call it an additional payment. They lost out; this evens them up with the schools that are under 100. If you go back over the last couple of years, again it comes back to where do you draw the line; at 100, 125, because of the situation that these small schools are in, these six, I move that the number 100 be changed to 125 on the .05000 version of reengrossed HB 1319, page 8, line 7.

Sen. Heckaman: Second the motion.

Sen. Flakoll: The Senate took that out for a variety of valid reasons. I am still interested in someone showing me the need. What makes them disadvantaged? What makes them earn \$1.8 million? Why do they need that amount, which is more than what they are getting now, the increase now this session will be more than the total per student payment in 1997?

Rep. Hunsakor: Why do the schools that are under 100, why do they need the .10. There again, where do you draw the line. In my judgment and what I understood from visiting with these people, in these six schools, it is critical to them that they fall in line with those that are under 100. They have a small enrollment, large land mass; want the ability to keep their doors open.

Ch. Nathe: How many students are we looking at in total?

Rep. Hunskor: I don't know the total.

Sen. Flakoll: Can you give us the names of the six schools that you believe qualify.

Rep. Hunskor: Litchfield-Marion, Alexander, Roosevelt, Wing, Kulm, Brooks Central.

Ch. Nathe: How many of those show students on there.

Rep. Hunskor: They go from 103 to 122.

Ch. Nathe: Around how many students.

Rep. Hunskor: Close to 700 students.

Sen. Flakoll: Obviously the House felt it was important to do the study that was strongly supported in the House side at the end of the bill. It seems that we would be putting the cart before the horse on the amendment. What is the cost of delivering education in a variety of different educational environments haven't been done. I think the Senate version of K-12 has \$5 million more dollars in transportation funds than it came to us so that would be a situation where those more isolated districts would richly benefit from that.

Rep. Hunskor: My only comment is, sometimes it's very easy to understand the plight of some of those smaller schools as they go through trying to pay their bills, make things go. It's a difficult task and this just helps them out so that they can keep their doors open and don't put the patrons in a situation is not the easiest to deal with.

Sen. Flakoll: One of them has a 44% ending fund balance, so it seems like they are asking us for money when they are just at the edge of the limitation of 45%. It will certainly be well above those mills that we talked about, with the proposed amendment. According to those amendments, that would seem to disprove the notion that they are challenged if we are using solely ending fund balances as was talked about earlier with the proposed amendments on the 12 mills.

Rep. Hunskor: At one time, if they were thought of as being small, isolated, then they missed out last year because they are a little over 100 in enrollment and then it seems like they should be brought back online again with these schools that are under 100.

Sen. Flakoll: Because of their changing enrollment. We haven't changed the threshold.

Rep. Hunskor: Because they were between 100 and 125, as I understand it, they missed out on a payment for the small, isolated payment last session, whereas the schools under 100 did get the payment. It's difficult to say that you have 102 students and you missed out last year and people at 99, did get the payment and they are in the bind, being large, having a small number of students, keeping up with the bills that need to be paid, why couldn't they be included in the same realm as those under 100. There again, we go back

to where should we draw the line. You could probably make the same argument when you talk about 125 and 126.

Ch. Nathe: I am in support of Rep. Hunsakor's motion. Anything we can do to help the small schools, whether it is adding a 10th to their factor. I think it is helpful. Obviously, the 1319 is very favorable to bigger schools and a little bit more challenging for some of the smaller schools. I think we need to help keep these schools open. We're looking at affecting over 700 students, six districts. That's a lot of communities and people affected by it.

Sen. Schaible: If you look at 125 to go up to 130, you could take 3 more that has very similar type numbers and what is considered small and isolated. We're helping out factors for whatever we determine small and isolated schools to be, whether it's 100, 125 or whatever number it is. On the other hand, we're capping their mill levies because of that ending fund balances and we're narrowing the threshold of what gives them some of their flexibility. Most of these changes that we make do affect these smaller schools. It's the same thing, we're helping them on one side but by the same rules that we're doing on the other side are also limiting their flexibility and hindering what they have as options to help themselves. That's a question that I don't know what the magic number is for small and isolated but it seems to me now we're looking at what schools are in what brackets and adjusting the number to fit, rather than defining what small and isolated is and see who falls into the right numbers.

Rep. Headland: Just so that I am clear on this, wasn't the 125 that was passed out of the House bill, House floor with the support of the House.

Sen. Heckaman: Looking at the ending fund balances, they're not all at the 44% range. I see Alexander has 23%, Litchfield has 38%, Burke has 29%, Robinson has 69% and Roosevelt has 5%. When you look at Roosevelt's ending fund balance of 5%, their expenditures were \$1.5 million and they have \$82,000 left. I think it is sort of misleading to look at an ending fund balance in some of these and say that they are okay the way they are. Because 5% doesn't leave much to work on, when you have \$1.5 million budget.

Sen. Schaible: Roosevelt is part of a coop with Grant County. So some of this is part of the coop agreement. This is one of the districts that we were talking about. Now we're looking at a different district of where we are going to help with a coop situation where it has gone bad and now we're looking to make them whole. This is exactly the situation that this also could be. When you look at Roosevelt's numbers and their budget, you're not looking at a school. Right now Roosevelt is part of a coop and if you're going to look at Roosevelt as a small and isolated, you might want to look at the whole situation which is part of their coop which is also with Grant County, which includes their high school and junior high entities.

Sen. Flakoll: Knowing that we are doing an intensive study to see the cost of education that was proposed by the House and accepted by the Senate, would the House feel comfortable if that was found to be too high then, would they come back and vote next session to say what you got last session was too much, we're going to cut you back.

Ch. Nathe: I think anything would be on the table next session, if 1319 passes as is, or close to, I think we will look to adjust this formula any which way we can which will best serve the districts. Are we open to looking at doing something like that, sure? I think it would be pretty short-sighted not to at least take a look at it.

Rep. Hunskor: I think of the superintendents that come in and please their case. I think they are honest and I don't think they are trying to pad the bank. I think they've got a situation with their school or they wouldn't have driven in here 2, 3 or 4 times as they did to appear before us. I have a heart for those people. They are trying to educate their kids; they are trying to do what is right.

Sen. Flakoll: The new money, the additional money, is more than the total K-12 funding during the first 100 years of statehood. That's the increase. We are doing significant additions in it. The property tax relief alone in here is \$714 million is probably more than we had in the 1995-97 biennium. We are making massive improvements. Some on the property tax relief side, we understand that. But certainly there are a lot of dollars in this bill for schools to have quality education. Let's not lose sight of the fact that there are a number of bills out there that have significant other dollars in there that are still in play, whether these qualify or not I'm not sure. There is a good \$100 million outside of this particular bill for K-12 schools including the \$5 million we talked about for transportation, which historically has been one of the biggest needs for those small but isolated schools because of their situation and their ridership and their ability to not have routes that are very full and that's just the way those routes go; we recognize that but I think we all want to do as much as we can for education in the state. I think we are doing massive amounts of funding.

Rep. Hunskor: There again, we can look at the big picture and say we're putting all this money out to all the schools which we are. Everybody is trying to do what's right. When I talked about the heart, I was talking about mine, not insinuating anything on anybody else. When you look at the big picture, it is very easy to say we're not going to do anything with this as far as these six schools are concerned, because we're doing this, this, and this. I've been here a few years and I do know that quite often we pick out certain situations in the big picture and say they need help. We did it with the tribal schools that had some issues as you well know to help them out. We do it all the time. I don't think we can say, even though everyone is putting out, doing the best they can to put out lots of bucks and that's true, maybe within that big picture there's a little picture that there are some schools and we've done it before that do need a little special help.

Ch. Nathe: The clerk will take the roll.

4 YES 2 NO 0 ABSENT

MOTION FAILED for amendment

Ch. Nathe: Let's take up the amendment having to do with the tax statement that was handed out this morning.

Rep. Headland: I move amendment .04041.

Rep. Hunskor: Second the motion.

Sen. Schaible: I fully agree with the intent of what this is trying to do, and I tried to draw up some versions of what this would look like. I don't think this gives an accurate picture of what we're trying to do. I agree that the dollar figures need to be in there, and the percentages; when you look back at the last couple of years and you take property or land values and I looked at Fargo's. I tried to look at taking Fargo's idea and moving it across the state in a couple different areas and adding the dollar figures in there, but like I said with that valuation changes in there, it doesn't give you an accurate picture of what the state is doing to lower property taxes. I still think there are problems and I can continue working on it to try and come up with a statement that will show what we want it to show.

Ch. Nathe: This would be all the information that they would have when they make up the property tax statement at the end of the year. They would know how many mills it is and what that equates into dollars.

Sen. Schaible: Let me give you an example. In 2010, if your taxes were \$8,000 for a piece of property. During that period the valuation goes up so much and especially taking a period like now. We are looking at buying down to 50 or 70 mills, whatever the case may be. But say you spend so many dollars buying those mills down, in the meantime, you're comparison of what it was before, now you have the valuation change and let's say it's 25% which is very possible in the west, probably even higher than that. So it goes up 25%, your buy down goes down, you compare it to last year, it does not give you an accurate picture, because something has gone up, something has been bought down, and all you are getting is the end result of the comparison. That is going to show a gap.

Rep. Headland: I think we're trying to reflect here, is the bottom line of the state's contribution and I understand and think everyone here understands that is going to fluctuate, but it's going to show the taxpayer why he is not in the end seeing the amount of property tax relief that is shown on this particular statement; so many mills that the school district is levying times whatever the mill rate is equals so many dollars.

Ch. Nathe: Is it the 2008-09 language that goes back to the base, is that the heartburn.

Sen. Schaible: That's not part of it. If you look at your property tax statement about what your taxes were, what the state bought down, you almost need another column to say what the local political subdivisions has also increased in a gap there too, to also show that, or for some other reason why did your taxes go up between now and the last year. You're just getting the end result of what happened. There are probably some things that happened in between there which has made it go up and down. It doesn't give you a clear comparison. You're going to get a comparison of the net result, which is true, but there might be factors that cause it to go up and other factors to cause it to go down and that could be a raise of taxes by a local political subdivision and if that's not listed separately, how would you reflect that as a comparison; valuation changes can also make it go up, which would be a comparison that you would have to adjust that in and out.

Rep. Headland: I think the other political subdivisions reflect what their tax is going to be on the property tax statement and I think the taxpayer is going to have to do the math and figure out that if the state is putting this much money into education, but my property tax

overall doesn't reflect that, somewhere else in this equation is the reason. I think they are going to have to do the math and figure that out. I don't know how you would do it other than to say that anybody who increased their budget and it reflects on the tax statement is going to have to explain why.

Sen. Schaible: The biggest argument I have is in the last couple of sessions, we've bought down mill levies 70 mills and most of the tax statements have gone up. You could have put a column in there that showed that the state bought down 70 mills but the end result is that the net change is that their taxes went up.

Ch. Nathe: I agree with you, and this has to do with the school district and the monies pertaining to the school. I think we've all seen the Fargo statement, which I like because of its simplicity. It's so simple. You're kind of muddying up the water with all that other stuff. This pertains just to school districts and what we're doing for the funding of the school districts and the mills. We could have this on there along with whatever else is being worked on in other legislation but this would pertain to the school funding portion of that statement. I am looking to keep it simple, as simple as possible.

Sen. Schaible: I agree with you, but if you're trying to get a clear picture, I hope that it is. Right now, I'm thinking that we're missing a little piece of that.

Rep. Hunskor: It seems like what you want to get out to your patrons is how much money you save as a result of legislative action. Average Joe in some county, that's what he wants to know. Are we talking ourselves into complex issues that aren't necessary? Maybe we missed some little thing, I don't know that. Is this just good enough to get the message out there to those folks of what they are getting back and why they are getting it back.

Ch. Nathe: That's exactly what we want to do. We want to show what the state has contributed to buying down their taxes and giving them some relief, in very simple terms. Do you want some more time to work on this?

Sen. Schaible: Yes I would. I'm not convinced that this is the best way. I want the clear picture of what the state is contributing and I want the property owner to realize and see why their taxes are doing what they are doing, going up or down and who is giving them the relief.

Rep. Hunskor: I withdraw my second.

Rep. Headland: I withdraw my motion.

Ch. Nathe: We will take this up again when Sen. Schaible has something more for us on this matter.

Sen. Heckaman: Can we get a copy of Fargo's tax statement. Looking back, I don't know if the general public knows what a mill generates in each county per year. Maybe in 2008 if that was put on in 2008 that one mill generates this and in 2009 it generated this, etc. they can see that valuation increase and that might be helpful too. When I go around to my

counties, most people don't have a clue what a mill generates and I have the 2011 state information here, but I don't have anything further.

Ch. Nathe: We will get that to you. Meeting is adjourned.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 24, 2013
21489

☒ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. The House had passed the .04000 version with the 70 mills as the base and the Senate had put it back to 50 mills. Please explain your reasoning for that.

Sen. Flakoll: We talked a little bit about it before, one of the general comments that was often used, we like to have it all right there in front of us, as opposed to sprinkled in other areas. We liked the concept of the change, when you buy it down, we're not obligated to keep pace like we have been with the recent mill levy reduction program, when we went from \$295 million to \$342 million, so the escalators won't cause as much heartburn, was one of the other reasons cited.

Rep. Headland: When we provide tax relief through the education payments, how are we going to effectively convince our property taxpayers that they are going to see this reduction, this \$715 million that we're equating to property tax relief? How are the property taxpayers going to have any idea how that is provided to them?

Sen. Flakoll: I think that goes back to the discussion about various options that have been presented as far as laying those out and displaying them, albeit on an annual basis, certainly all legislators want to take credit for it, to give the money back to the people. We believe that by having it in one location, we won't get caught up in escalators that could happen with other scenarios that have been thrown out there. That is certainly part of it, but unlike what we currently have with the law we aren't subject to those escalators on continuing to buy down those differences on a go forward basis.

Ch. Nathe: The House's position was 70 mills and the reason that we took \$119 million was to put another property tax vehicle. I share Rep. Headland's concerns; if we go back to 50 mills, will that stick going through the school districts. We took \$119 million and put it in a different bill to help with additional property tax relief. That is our concern going down to 50, putting all our eggs in one basket. That's the reason we are sitting on 70 mills right now.

Sen. Heckaman: When you look at some of the information we received from the school districts and if they think that we might be looking at 70 mills plus the additional other mills

that can be put on, some of them are close to that right now. That's their concern, when the patrons go and look at that property tax statement and they look at the school portion, where they understand that we're looking at a new formula with the state taking on more of that responsibility. The taxpayers aren't going to see that. Even though it may come in another form, we're supporting a new method of funding K-12 education and listing it as property tax relief and some of the schools that are at the 90 mills or near that, feel that their patrons and taxpayers aren't going to see that difference, and then we are going to be back in a measure on the ballot.

Ch. Nathe: Wouldn't it kind of alleviate their fears; during the first half we received tons of emails that 50 was too low, they wanted more mills. We drop it to 70 which gets them a little closer to where they are at right now, and take that money and use it in another vehicle. Doesn't it help alleviate some of their fears about the funding formula, that they aren't given enough leeway, enough flexibility with the mills?

Sen. Heckaman: I didn't see any of those emails on those fears. I can't address that issue.

Rep. Headland: Just to speak to that specifically, I think I had four or five different emails from superintendents and they weren't all within my district but they were all close, and they indicated that they had discussed the provision, the amendment that was offered by Rep. Nathe, they essentially saw it as unfair because it takes away all their flexibility locally and they indicated that they have just a small amount of mills to deal with and I think if we aren't going to be able to amend the bill to put some type of provision, such as the amendment that Ch. Nathe offered, I think that going to 70 mills will offer them more local flexibility to generate dollars locally for specific needs that they claim to have. I see it as a step in the right direction.

Sen. Schaible: My take on the 50 or 70 mills, do you want most of the property tax relief in one spot or not. The 50 would do that; the 70 would allow additional property relief in other areas, whether it is in social services or some other area. There's merit to both sides of that; that's not the issue here. The biggest question is how much property tax relief the state is going to offer and where we are going to put it. As far as simplicity though, as far as putting it all on the school version, it does make it really clear and transparent. If we put it on the statement, which I believe we will and I think we'll find a good way to do that. It still makes it easier if it's in one spot. Second, school districts are the only ones that are capped at a 12% valuation growth right now, which is what's there. There are caps on them now and it's also the biggest area that's mandated as to what we do with entities as far as these local political subs. Schools are probably one that we mandate the most, and that's probably the reason I would look at and say that maybe we should stick it all in that place. We've heard for years that we should be up to the 70%. We've achieved that goal, and I think the 50 would put us well over 80 or above. It just seems like that is an appropriate way to do it. The downside is that, but I don't think that's a benefit of the 70 or 50 mills, we are taking local property tax down to a level and then adding criteria or caps to it that hampers the flexibility of local districts. I think that's the biggest concern out of both of these plans; will the state sustain the growth that we've seen, will that continue forward past the two years, and then cutting down these tax mills and capping them at certain points. I think that is the hard part for schools to understand. It's probably a good concern.

Ch. Nathe: I think that's the crux of the argument right there. The amendment that was offered the other day that puts some caps on the 12 mill levy. Do we vote against that in the interest of the school districts so as you say, it would give them more flexibility or do we pass that for the interests of the public to give them more stability as far as the property taxes go so they don't jump up. As we've seen in the last four years, we throw the relief out there, and it's backfilled. That's the main concern of the House, we're going to do this, and we'll see it all again where it's backfilled again. That the reason for the amendment on the 12 mills. I think it comes down to whose interests we are looking out for. We want to balance both. We are doing this to be property tax relief. We have to, I believe, look out for the property tax owner. If we go to 70 mills that will now jump them up to another 92, it would cap that. If you go to 50 mills, and I'm for the amendment, I think we should cap that and slow that creep down a little bit.

Sen. Schaible: I think taking it down to the 50, which means 60, because of the additional 10 mills, so you have some flexibility but then you're putting the caps on something that is already lower with the additional three. But on the 70, which gives additional flexibility and then doing the same thing, you're asking for caps on their flexibility on a smaller level and then in the same manner you want to raise it to a higher level. If you want it to curtail local political subs. and the accountability thereof, the 50 does that, leaving the 10 and the 12 and the 3 gives them the flexibility to move. If you move that to 70, you've actually expanded that and you are still giving them even more.

Ch. Nathe: But we have 144 districts that are not taking those 12 mills today. If we go to 50, and they can take those final 12 mills, we've heard it time and again, they are going to slam right up against the 72 mill levy, whether they need it or not. Is that fair to the taxpayer. Is that fair to property tax owners.

Sen. Schaible: Regardless of what plan we use, we have to be transparent and the problem is what have we done with property tax relief is in my opinion, most general people don't know where it has gone. We're my tax relief gone. I think the local political subs, in this case, the school district has to be accountable for any increases that they have. But I think they are, as the school board is already saying that we put a reporting requirement on them that if their budget goes up so much, they have to have a public hearing or a meeting and explain why the taxes are going up.

Rep. Headland: The bottom line is this. When we came here the public was crying, their property taxes were too high. If we put all our eggs into this education basket, and then we buy down to 50 mills and automatically, in as many school districts have indicated, they are going to take the additional 10 and 12 mills. Essentially, they are going to have 72 mills of that property tax, the difference between the 50 and the 72, those dollars are going to be eaten up. They aren't going to see the relief and how does that impact the cries that they've stated to us when we came here I don't think we are accomplishing anything. I think we can do it without any reforms of any type. The money will be put into education. It will be hard to ever get it out once you fund the pupil to the tune of \$9,000, how would you ever back away from that. The problems at home will not be addressed; the property taxes won't be lowered, the equal amount to show the effect and we face an initiated measure where property taxes may be taken away from us all together. I think if this is going to be

our vehicle for property tax relief, then we have to make sure that we have the ability for the property taxpayer to see the relief. I don't think we can do that at 50 mills.

Sen. Schaible: As far as my take on the 50 or 70 mills is that it's revenue neutral as far as the payments to the schools are the same, but who's going to pay the difference, whether it's so much of the local property tax is going to do it or the state is going to supplement it. My understanding of the 70 mill plan is that we take \$120 million and put property tax in a different area. We're just shifting giving property tax relief in a different area that the 50 mills would do. I don't see that. This is more of a spending issue of the school districts. The funding, as far as both plans for these, thinks that the funding is the same both ways. The question is the spending issue of the local districts and the accountability they have and then reflecting that in their property taxes.

Rep. Headland: Just to respond to that, as I said, once the money is put into the per pupil payment, it's not coming out. If we start a different program that we fund on a biennial basis, just like we do any other budget, the legislature is going to set that dollar amount and that percentage buy down as to what they can afford to do. If the money isn't there, you simply walk away from it. I know that probably will not be a very happy day for us property taxpayers at home, if that ever happens, but if we put it all into education funding and into the per pupil payment you're not walking it back.

Sen. Flakoll: I think people have generally recognized that schools are the biggest focus in terms of property tax relief because that's where the bulk of it goes. That's where it is the most recognizable. If we're looking at a scenario where we buy down 7%, 6.5%, whatever, that will totally be absorbed in one session. With any plan, we don't have the future ability to provide that tax relief; it will be a challenge no matter what form or where it goes into if we have to step back off of personal income tax, property tax relief, whatever we wish to take on, if we pay a percentage, and again that's not the bill we have in front of us, but we're kind of talking about some of the options that exist outside of this bill. What is set up for the local political subdivisions to hold it down if they are guaranteed that the state will be X amount percentage, that's a concern. I would ask those that ask the question, how do you get credit for the 50 mills, I guess you get credit for it the same way we would at 70 mills.

Ch. Nathe: I don't think we're looking for credit; we're just looking to do what's right in the long term for the state taxpayers in ND. That's my problem with the 50 mills or 70 mills is that creep I've been talking about. That's the reason why I offered the 12 mill amendment the other day, to give some sort of protection to the property owners of ND, from them taking the mills. The 144 school districts that do not take those 12 mills as of today; 36 of them do and the average is about 1.4 mills. I don't think that amendment is too much to ask for some protection for the taxpayers of ND. Again as we use parameters or qualifiers, if they are under a certain amount with their ending fund balance they are then able to grab those mills. If they have good hefty fund ending balances and other reserves, there's no need to take those mills. What concerns me is when I hear comments and emails saying that they are going to take the 12 mills because we are uncertain about HB 1319. It does the people of ND no good with an attitude like that.

Sen. Heckaman: Which way will the taxpayer see more relief. If you do the 50 mills or the 70 mills and \$119 million someplace else, which way will provide the greatest relief.

Ch. Nathe: The way we passed it out of the House was the same 35%; it was just 29% of 1319 and 6% in another vehicle. The bottom line, which they say doesn't matter how we get there as long as the bottom line shows a decrease, it's 35% the way the House passed it out. You can either have 35% in two vehicles, 35% in one vehicle. We've been doing one vehicle during the last four years, and I think we got burned by it a little bit. I would like to see us learn from that mistake. We need to stop the creep, the backfill.

Sen. Flakoll: I think we are working to have it pretty visible to the taxpayers. I think we want them to know that the legislature has done something in this regard.

Ch. Nathe: I'm not so much concerned...they'll find out what we did after the session. I just want to make sure that we have something that is long term and that we can build off. We'll be working on this formula two years from now and adjusting it. I want to make sure that we get a good system that works for the schools and may be uncomfortable and works for the taxpayers of ND.

Sen. Flakoll: I believe that if we have the two different versions the ongoing obligation if we go another route is higher to the state, if we pay X percent because that will certainly go up, whereas if we put it at 50 mills, then we're just looking at the cost of education. Right now, essentially the 12 mills has been dropped by 20% already.

Ch. Nathe: Again, 144 of them do not take it.

Sen. Flakoll: But we've capped that at a lower level than what currently exists. Are we in agreement on that?

Ch. Nathe: Yes.

Sen. Flakoll: The other question is, if we were at 50 + the other millage, versus 70 + the other millage, what has prompted the House to say the version we passed at that could go to 95 mills versus what the Senate passed at 75 mills, now needs a cap on it.

Ch. Nathe: We're looking at taking that \$119 million that we took out of HB 1319, putting it in another vehicle to address another property tax problem with the cities and counties. That is the reason, correct.

Rep. Headland: I think that would be the end result if that were the case. I want to address a statement that was made. When we have superintendents and telling us that they are going to take the additional 12 mills on top of the other 10 mills because of the uncertainty because of the uncertainty moving forward with 1319, that really throws up a red flag with me. Why are these superintendents so nervous with this new formula that they are going to grab all the money they can upfront to protect themselves from unintended consequences. I think that points to a reason why maybe we don't dive into this this head first and go all the way to 50 mills and maybe we decide to move it back to the 70 mill level

and look at it a little bit, to make sure that it is working as it is supposed. I think diving in head first is probably the wrong way to go today.

Sen. Flakoll: In the case of Williston, they would be over the threshold with their ending fund balance. If you're looking for the district by every measure that needs to do these things; Williston would be right at the top of the list. With the proposed caps they would not be eligible to do anything beyond that as I would understand it. With their enrollment situations and other things, I'm just not sure that would be helpful.

Ch. Nathe: Didn't Williston turn down a bond, lost an election for some bonding up there for some buildings.

Sen. Flakoll: There's been some.

Ch. Nathe: Hasn't the public spoken in that regard.

Sen. Flakoll: I'm not sure how they correlate.

Ch. Nathe: It has to do with spending.

Sen. Flakoll: The point is that it would prohibit their elected officials from, if they grow by 300-400 students, what's their end game with the cap on the mills. They can't do any of those.

Ch. Nathe: There's rapid enrollment money, HB 1261. There's other money there to address some of those concerns.

Sen. Flakoll: But from an ongoing situation, I'm not sure because again, we're looking at approx. \$3900.00. We have eliminated a number of dollars that were available, \$6.8 million each year of the biennium and much like we had it during the current year; they bumped up against that, so they basically send it out on a pro-rata share of those funds that are available. They're looking at a pretty tough situation there that we're kind of hamstringing them I believe.

Rep. Hunsakor: I hear 144 districts are not taking the 12 mills. To me that sounds pretty good. They're not misusing the privilege of jumping up those 12 mills. I say trust them, they're doing a good job with that. Rep. Headland indicated some emails that you got, are there enough. Are we reacting to that because some emails come in and really that's not that big a problem? Are we having a knee jerk reaction? Why not leave it the way it is. From my perspective, we do not trust the people out there who are superintendents to utilize those 12 mills in a wise and conservative way. This is thrown at them kind of at the last minute. They haven't been planning to use them.

Ch. Nathe: I don't think it has been thrown at them at the last minute. They've known about this plan since November or December and known about the 50 / 70 mills since we started the session. As far as trust, the last four years we've sent money to the subdivisions and we trusted them and got burnt. Hopefully we can now learn from those mistakes. That is the reason why I had the amendment prepared capping the 12 mills. I

find it interesting that the people that were against 1319 in the first half at 50 mills were dead set against it. Now they come back and now they want it to go right back to 50 mills. Their argument has shifted several different times. I understand it's a new formula; they're not comfortable with it. When you're not comfortable with something, you are afraid of it.

Rep. Hunskor: I also get emails along the line of what I said. I hear from them that we should leave this as it is. We're conservative, we're trying to do what is right, why are we getting involved in all of this.

Sen. Schaible: On the subject of getting burned by the political subs; I don't disagree with that. We've put more restrictions on schools and they already have 12% caps on there and we've already done some other things, they are by far the most restricted of all the political subs. I'm not saying that they are without guilt in this property tax issue, but they are the ones that are restricted the most and we are continuing to put more on them and blaming them for a lot of the other things that were, in my opinion right or wrong, it's the other ones that have had the creep. I'm not saying the schools are totally blameless either, but I think we put a lot of restrictions on them without putting the rest on the rest of them and now we're really looking for refine that more. I don't disagree with some of that but I think it's a spending problem. We have to be transparent, we've got to know what the state is doing, what the locals are doing and the public has to realize that. Now we're talking about a plan with 50 and then talking about creep, but we want to go to 70 and do less creep. That doesn't make sense to me.

Rep. Headland: We're out of time. I don't know if we are making any progress here or not. When we meet again, we're going to have to come to a conclusion of are we going to work off our 50 mills and move forward or are we going to move back to the House version of 70 mills. We need to come to a conclusion on that before we can move forward on the other issues.

Ch. Nathe: We need to make that decision soon. There are at least 2 or 3 bills that are intertwined with this bill. I have other chairmen in my ear about this bill. Leadership wants this decided. We can't wait any longer. We can't continue to play games with, we have to come to an agreement soon and that's why I wanted to have this discussion this morning.

Sen. Flakoll: I'm not sure what games anybody is playing. I think part of their angst with the schools is that they probably don't trust us, in part because there is basically a two year window on this. I think that's where a lot of districts really got nervous, is with the short window here and how that might affect them.

Ch. Nathe: We are adjourned.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 25, 2013
21523

☒ Conference Committee

Committee Clerk Signature

Alfonso

Minutes:

Ch. Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. We will take up a few amendments. We will take a look at .04052.

Sen. Flakoll: I move the proposed amendments to reengrossed HB 1319.

Sen. Heckaman: Second the motion.

Sen. Flakoll: The intent is that it would apply to the one situation that Rep. D. Johnson had referenced earlier. I am for this since it is only a one-time situation. It won't take any money out of the upcoming biennium dollars. So if you look at section 33, which is the main part of this, subsection 4, it essentially says that we would take it out of the current biennium's contingency fund up to \$158,150. They can't be eligible for any rapid enrollment dollars in addition to that. They would be eligible for the stated per student payment for the upcoming year in that this is designed to be a one year, one shot program which seemed like there was some validity in taking it from those funds. No school then would be shorted in any way.

Ch. Nathe: Clerk will take the roll. **6 yes 0 no 0 absent Motion carried.** We will take up amendment .04042 from Rep. Heller presented on April 23. It has to do with the approval process by the Education Standards and Practices board and hold a special education endorsement of a credential; section 2, 1b.

Sen. Heckaman: I think that this was a clarification that Rep. Heller had taken care of, and I move the amendment 13.0278.04042.

Rep. Headland: Second the motion.

Ch. Nathe: Just for information, DPI has agreed and signed off on this. Clerk will take the roll. **6 yes 0 no 0 absent Motion carried.** Let's now take a look at .04038, which is the milk amendment as we know it. I presented this amendment to better clarify the money that will be used for free and reduced lunches, stating that the districts may utilize some of those resources for a milk program if they wish.

Sen. Flakoll: I move the .04038 to reengrossed HB 1319.

Sen. Heckaman: Second the motion.

Ch. Nathe: Clerk will take the roll. **6 yes 0 no 0 absent Motion carried.** That is going to take care of it this afternoon.

Sen. Flakoll: I see someone from the Tax Dept. I just want to make sure that they continue to monitor this bill, with all of the other ones to make sure that, at some point, if we need to change what we have changed and changed, that they are ready to help us make sure that we make the proper changes so that all bills go together at the end.

Rep. Hunskor: In the rural areas where you have a small or mid-sized county, the technology that the tax departments have access to may be limited, will those counties need help in getting the tax statements out to their taxpayers, will they have enough staff.

Ch. Nathe: As far as the property tax statement is concerned?

Rep. Hunskor: Yes.

Ch. Nathe: As far as sending it out?

Rep. Hunskor: I'm just wondering about the workload on the treasurer and the local counties. If this passes there's going to be some extra work for them to get this out. Has anyone checked into the amount of work, the time; will they have to hire extra staff, can they do it with the staff they have? I don't have the answers.

Ch. Nathe: I think that will depend on what we come up with for language for the property tax statement. I know the tax committees in both chambers are working on it right now. It is our desire to have the language in those tax bills match the language that we put in this bill. I would just depend on what they come up with.

Rep. Hunskor: I did call one county treasurer, in my county, and asked that question. If you have a one-liner, just like the statement you turned out that tells what they don't have to pay, what burden would that put on them and the treasurer said it would result in approx. 40 hours of time. Then I asked if they are going to have to hire an additional staff member, can you handle it, and she told me that they would rather not do it, but we do know that the citizens want this. So even though the work load is going to be there, we know we have to do it.

Ch. Nathe: I find it interesting that just to add one line to the property tax statement is 40 hours. I don't doubt that there are some hours to calculate and do it, but 40 hours seems a bit high.

Rep. Headland: We've mulled over this in the tax committee for the past couple of bienniums and I don't think that it's going to be a big huge deal for the counties. They might balk at it but I think this is an important piece for the citizens/property taxpayers to understand what the legislature is providing for them. I don't think there is a big cost

associated with it. I will say that I have been given some new language by the Tax Dept. that I turned over to my chairman for him to look at because they are working on some language as well for another bill. I think the idea would be to come together and have the same language in both this bill and that bill. We'll see how it progresses; otherwise I could ask Deana Wiese, Exec. Director of Information Technology Council of ND. I'm sure that she has some of the language that she is talking about. But really at this point there is no reason to discuss it.

Ch. Nathe: I think it is a little early right now. We'll just wait and see what the final product is.

Rep. Hunsakor: Nobody's objecting to this, it is more informational to be sure that we know where we are at.

Sen. Flakoll: I would agree with what Rep. Headland said, I think we've had this in the hopper for a long time and everyone at least from the legislative standpoint want to make it really as straightforward as possible. Essentially, as I understand it, they already have the numbers; it's a matter of just transferring it from their internal workings to this document. I believe that the Association of Counties is fine with it. I think we've done a pretty good job of vetting this and we'll have some pretty good language by the end of the session.

Ch. Nathe: We are adjourned for now.

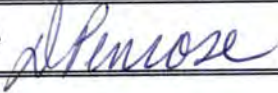
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 26, 2013 PM
21555

☒ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. Let's review the sections that we agreed to. There are a couple of other sections I want to talk about as well, where the House is sitting on it. On Sections 1-8 we agreed. In Section 9, the House agrees with the changes in the home base construction monitoring weighting factor. We've already done the milk. Section 10 we agree with, the Brandenburg amendment. Section 11, the first half of it, not the part dealing with the mills, but the other portion with the 75% of all revenue. We will agree on Section 12.

Sen. Flakoll: On the 75%, the imputation language, in a sense, you agree with that.

Ch. Nathe: Yes, the imputation language.

Sen. Flakoll: Where does the agreement end on that one? It looks like we're okay on page 14, 15...

Ch. Nathe: Where are you?

Sen. Flakoll: On the .05000 version. Is there anything in section 11 you're not in agreement on?

Ch. Nathe: Yes, a couple of things.

Sen. Flakoll: You would be essentially agreeing with the imputation, the minimums and maximums...

Ch. Nathe: Correct.

Sen. Flakoll: Then the weighted student unit payments...

Ch. Nathe: The 8810 and 9094.

Sen. Flakoll: At this point anyway unless we have to adjust them.

Ch. Nathe: Correct. That would be up to page 17, line 4.

Sen. Flakoll: Thank you.

Ch. Nathe: Section 12 we had agreed. Section 15 the House agrees with the ending fund balance, with the language there that the Senator had put in. The House is okay with the language in Section 16. Section 20, the House is in agreement on the Senate language, having to do with construction, school construction loans. Just so I'm clear, we changed it back to State Treasurer. Did the State Treasurer come in and ask that. We were asked to do it the other way.

Sen. Flakoll: Yes, they asked us to change it back to the State Treasurer, and that's not a difference between the chambers, it's just a matter of us getting it straight before we walk out of here, to take it to the Floor, so that it coincides with everyone else. I don't think there are any philosophical differences here.

Ch. Nathe: Just mechanical.

Sen. Heckaman: On line 14, is the amount of money in there correct, or is that going to change.

Ch. Nathe: Right now, that will stay; it is subject to change. You are talking about the \$250 million.

Sen. Heckaman: Yes.

Ch. Nathe: Yes, right now that will stay, but that was subject to change. Section 25, I have an amendment to address some of those concerns and I will take that up tomorrow morning when we meet. We will be meeting tomorrow at 9:30 am. In section 25, we have passed an amendment having to do with the dates for the HVAC bonds. Section 34, we are okay with that, the Study with the Senate language in there.

Sen. Flakoll: Also section 35, we didn't change anything on there from the House version.

Ch. Nathe: Section 35, yes.

L. Anita Thomas, LC: On the section with the weighting factor, the first portion of that applies after June 30, 2015. I think there was originally a change made to the special ed factor and I wanted clarification whether you wanted that at 0.079 for post 2015 or at 0.082.

Sen. Flakoll: We had moved amendments to carry that forward what's being proposed for the upcoming biennium to carry that forward to the 2015-17 biennium is simply what we did. It would just maintain that established weighting baseline.

Ch. Nathe: House agrees.

Anita Thomas: It is a little confusing with the Sunset that the House put on.

Sen. Flakoll: Because the House put a Sunset on a lot of the other stuff in the current biennium, it would maintain the weighting factor but in that the per student payments could, in theory, go down because it is a two year deal, it would maintain the factor but in theory there would be less dollars if we were to not have a session, just carry the current payment of \$3910 forward times the .082.

Ch. Nathe: I think we're fine; we'll address that in the 2015 session when we revisit this whole formula again. I handed out some amendments; let's go to .04051, having to do with the special reserve fund. There is some clarifying language that we had placed in there, the way the bill is written, it gave the impression that the maximum number of mills allowed by law, some might interpret it to be 72. If you take a look at the second page of your amendment shows you where it is in the bill. You can read the language that is in there on the .04000 version. This will give a better definition, because the way it seems to be written from the beginning looks like they may be able to factor that on 72 mills, this just basically says they can take those three mills of the special reserve fund, 3 mills for five years up to 15 mills. Once they are passed that, they would then take the money out of their reserve fund and move it into their general fund.

Rep. Headland: I move amendment .04051.

Rep. Hunsakor: Second the motion.

Sen. Flakoll: I guess the motion is there, clarification though, I think we talked about this the other day. How much can they carry forward? They can take 3 mills for 5 years. So right now if they a \$1 million sitting in it, and they carry forward. How do we know at what point they have to flush some of that out. Is it a rolling five years?

Ch. Nathe: It would flush out on July 1, according to the amendments, shall transfer from the special reserve fund to the district's general fund, any amount that exceeds the limitation in section 57-19-01. Anita, what does that section say?

Anita Thomas: It is in the middle of the mocked up page.

Ch. Nathe: In the amendments on page 38, Anita, it says, the amendment would say that each July 1st, the board of the school district shall transfer from the special reserve fund to the district's general fund in the amount that exceeds the limitation in section 57-19-01.

Anita Thomas: Turn to page 37, in the middle of the page, that talks about the 15 mills.

Ch. Nathe: So if the reserve fund is in excess of those 15 mills, whatever those 15 mills equate to have to be transferred into the general fund.

Anita Thomas: Right, and the other reference is in where we list the general fund levies, the 12 mills and the 3 mills for the special reserve fund, so they can levy to three mills, as long as they want to provided that they don't hit that 15 mill cap.

Sen. Flakoll: Let's say 15 mills is worth \$2 million, they have to flush that over to the general fund at a time certain but the 15 mills or \$2 million is not held against their ending fund obligation.

Ch. Nathe: I don't believe so.

Sen. Flakoll: We need a little more time.

Ch. Nathe: Alright. Rep. Hunskor and Rep. Headland withdraw their motions. One other amendment, .04055, having to do with changing the name of the property tax relief sustainability fund, to the property tax relief fund in the century code; clarifying language.

Rep. Headland: I move .04055.

Sen. Flakoll: Second the motion.

Ch. Nathe: Let's take a roll call vote. 6 YES 0 NO 0 ABSENT MOTION PASSED

Sen. Flakoll: To clarify the .04050 amendments that were handed out, in essence we adopted that already. I am handing out the .04053 amendment to the bill; it does two things. First they would remove the language for early childhood testing for special education and secondly, they would adopt the section 35 as it relates to the autism, but take the money out of the current biennium's contingency line. That is what they would do.

Ch. Nathe: Again, when we talked the other day in regards to this, this is for people suffering from autism between the ages of 21 and 30.

Sen. Flakoll: Those aren't defined in the bill per se. We left that open-ended, I think there would be a tendency that that would be the age that it would fit into.

Ch. Nathe: But this would be job training.

Sen. Flakoll: Like we talked about it with K-12, to make them work force ready or college ready. This is designed to make them work force ready.

Ch. Nathe: This is a jobs training program.

Sen. Flakoll: Work force development in a way. It cuts across the spectrum a little bit.

Rep. Hunskor: Can you give us a brief rundown on exactly what this means. Maybe you've covered it already, maybe there is more.

Sen. Flakoll: The intent of the amendments that were drafted would be then to take the portion that talked about earlier. You had mentioned something about, that it would no longer require that early childhood testing for learning disabilities. There were two sections in there that were tied to that weighting factor, those would be uncoupled. We would stay, in essence, with the House version of that sans the carryover for the weighting factor. The second thing would be to adopt the language that was in the bill as it left the Senate, except

that instead of taking it from the upcoming biennium, it would take it from the contingency line from the current biennia. We already took \$158,000 plus change for Rep. D. Johnson's amendment and this would be another portion that we could take out the current biennia. So they would still get all the money they were promised, but then we would take it out of the contingency line, if those dollars were available.

Ch. Nathe: How did we get to \$250,000? Was that based on \$8810?

Sen. Flakoll: It's kind of that amount for so many students up to so many students. It would be to the extent of the dollars owing.

Ch. Nathe: It is up to 30 students per biennium.

Sen. Flakoll: It is designed to really be during the second year of the biennium, because they will need some time to put it in place. It's better to go carefully, than to jump into it and have something that no one is going to like.

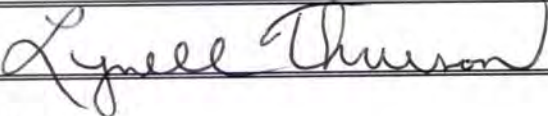
Ch. Nathe: We are recessed.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 27, 2013
Job 21579

☒ Conference Committee



Minutes:

Attachment 1 and 2

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. We will discuss the amendment .04051 having to do with the special reserve language. This allows a district to take the mills for the special reserve fund for 3 mills a year up to 5 years and after 5 years move those monies over into the general fund.

Senator Flakoll: A question would be if they don't, then what? We don't have a call back provision like we do in the ending fund balance, we assume it will happen.

Jerry Coleman: This special reserve fund is a special fund that they have for emergencies and is accounted for as a special fund. It's not subject to ending fund balances.

Senator Flakoll: If they would say we don't want to do that, we don't have a hammer on this do we?

Coleman: Are you asking about maintaining that appropriate balance in that particular fund?

Senator Flakoll: Correct. If they would exceed it unlike the ending fund balance we have no leverage against them.

Coleman: They ignore this.

Chairman Nathe: If they were going to accumulate for 6 or 7 years?

Coleman: It's in state law and they are required to have financial audits. I would think that that would be a finding in a financial audit that would be supervised by the state auditor.

3:12 Senator Flakoll: With the July 1 date procedurally will that work, we don't want the money held against them on their ending fund balance. Are we OK on that?

Chairman Nathe: Each July 1.

Coleman: You could say on or after that. If they did not do it on July 1 that wouldn't be a big compliance issue. They would do it in the beginning of their fiscal year.

Senator Flakoll: I like it that it is after. I don't think the spirit of this is to have them get nicked on their ending fund balance. July 1 should be fine.

Senator Heckaman: Are we seeing large balances in these special reserve funds?

Coleman: We have \$600,000 in Grenora School District. On a mill basis they had the most in that particular fund. They would need to transfer a share of that. If you look at their numbers their actual general fund ending balance is around 8%.

Senator Heckaman: Does the special and ending funds show up in this book?

Coleman: Only on state totals, not for the individual districts.

Representative Headland: I move the amendment .04051. Seconded by Senator Flakoll.

A Roll Call vote was taken: **Yes = 5, No = 1, Absent = 0.** Motion passed.

6:43 Chairman Nathe: We will discuss .04056 which was handed out. See attachment 2.

7:00 John Walstad, Legislative Council: These amendments deal with the resulting property tax levy authority for school districts when all of the other components of the legislation are settled. He discussed three sections regarding the required changes, pages 28-32. One adjustment is if state aid to a school district increases or decreases an adjustment has to be made to the property tax levy authority. This amendment would add a definition of what that means.

18:49 Representative Headland: Why 62 mills and not 50? Why are we giving the 12 miscellaneous mills automatically?

Walstad: It was the governor's suggestion. It could be changed so that the growth factor only applies to the general fund.

Representative Headland: The language today says 12 mills are specific to the general fund, I don't know why we would change that for the 13 year.

Senator Flakoll: If a school district used 9 of the 12 already are they still OK?

Walstad: That's probably true. I'd have to see the math.

Chairman Nathe: It would be grandfathered in.

Senator Flakoll: They can do that without additional penalty under this.

Chairman Nathe: There are around 30 districts that are taking mills already out of that 12 mill miscellaneous fund.

Walstad: Districts in that situation would plug into this new metrics right at that number of mills they are at now.

21:54 Senator Schaible: What about the reverse situation where you were talking about the 110 mill caps? How does that play with this?

Walstad: The section that we have was put in place as a safety net. No safety ceiling was put in place. Rapidly rising valuations has no limiter there but is with the 12% in dollars under the general fund.

Representative Headland: Could you write this to state that the 12% is specific to the general fund or if you have already accessed special mills and have the 12% on that total mill package before you would be grandfathered to be allowed to take that? But if not currently using any of these extra 12 mills then this 12% applies to your general fund. We would not be allowing them the 12% on the 12 extra miscellaneous mills.

Walstad: I could do that.

25:19 Senator Schaible: This amendment does exactly what you're asking for. It's 12% of growth whether it's 50 or 12.

Representative Headland: We just need to clear up the language.

Walstad: The governor's thought was that school districts will be brought down to 50 mills. With the additional 12 and 10 of general fund they have 22 new mills available without restriction. This prevents that from happening. The combined number couldn't be increased by more than 12%.

27:12 Representative Hunsakor: Why not leave the 12% the way it is?

Chairman Nathe: Conversations with the earlier 12 mill amendment the emails and discussions was where they are going to take all 72 mills whether they need it or not. The reason for this amendment is to make sure that they qualify; it's a 12% growth factor.

Representative Hunsakor: Are there many schools that will do this, how many are there?

Chairman Nathe: We need to put some control as far as schools grabbing those mills.

30:11 Representative Hunsakor: Many superintendents are saying that we don't trust us.

Chairman Nathe: We are also picking up 80% of K-12 funding. We have to have some control to protect the taxpayers.

30:38 Senator Schaible: This is less restrictive than the other amendments. 12% of 60 are much better than 12% of 50. This is more flexible, simpler and easy to understand.

Representative Hunsakor: I agree with that.

32:00 Senator Flakoll: Senator Schaible asked me about where the various special reserve funds were by district. He found them.

Chairman Nathe: Would like to discuss Senator Flakoll's amendment .04053, section 35 dealing with the Autism Spectrum Disorder Technology grant. See attachment 1.

32:50 Kirsten Baesler: We have the money in a line item. At the end of the 2011-13 bienniums the superintendent of public instruction would transfer \$250,000 to the Career and Technical Education department. It would provide autism specter disorder grants. We reviewed it and verified that this would be doable within our budget.

Chairman Nathe: Subsection 4 language issue. Is that money you need for someplace else?

Baesler: At this point what we do with the money is deliver it out to our schools. If there is any ending fund balance in that line item, we distribute it throughout our school districts.

Chairman Nathe: That \$250,000 would have to be transferred first before you put any other money into the schools?

Baesler: Correct.

34:47 Senator Flakoll: These would be the same contingency line that we targeted the \$158,000 for Representative Johnson's funds.

Chairman Nathe: This hasn't been done around the country yet? Is this brand new

36:06 Baesler: The autism spectra disorder working with into the workforce, I'm not aware of any other program.

Chairman Nathe: Has there been a big push for this nationwide?

Baesler: Yes especially with the STEM related activity. It would be an opportunity for North Dakota to lead the way.

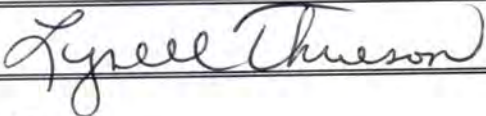
Chairman Nathe adjourned the meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 29, 2013 AM
21601

☒ Conference Committee



Minutes:

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. We will discuss the amendment .04056 to clean up the language.

1:08 Jerry Coleman, DPI: Covered some issues relating to the amendments. He went over the handling of the accounting for the miscellaneous fund. If it's included as part of the general fund then it would be subject to the ending fund balance offset test.

3:38 Senator Flakoll: The Senate is fine with that.

Coleman: Anita can touch on whether or not statute orally that's what it tells us, in the section talking about creating that miscellaneous fund. And does that language accomplish the intent accounting for that miscellaneous fund as a general fund revenue and expenditure.

4:26 Anita: The ending fund balance provision refers to the unobligated general fund dollars. In the bill it talks about the general fund levy 50, 60 mills plus the 12 miscellaneous levy mills. What is the intent of this group for the ending fund balance language?

5:24 Chairman Nathe: We have no problem with what you want to do. If we put it all in the general fund language and make it subject to the EFB would be the desire.

Coleman: If that is the intent then Anita should make that clear in the language that this miscellaneous fund is considered general fund for purposes of that ending fund balance.

Coleman: There will be some who are affected by the special reserve. They would be required to make a transfer on July 1 but some would have a year to make arrangements for that.

6:50 Senator Heckaman: Putting that special reserve fund in wasn't going to affect the ending fund balance correct?

Senator Flakoll: If they go over the 15 mill times the current value today they have to slide that across to their general fund. If their general fund goes up 2% from 44 to 46 then it could affect it.

7:30 Coleman: Dealing with the amendment, it needs to get a harder look to make sure that it is doing what we want it to do, such as the mechanics and how the language works.

Chairman Nathe: We are working on some language right now as far as how the mechanics would go.

8:34 John Walstad, Legislative Council: I don't see any problem with the property tax levy in dollars section. That section is intended to provide if valuations fall the taxing entity still gets the same number of dollars to operate. It's important with elections coming up in 2015 for excess levies of voters do not approve excess levy extended authority. The governor suggested some language relating to the 12 mills and how that plays in, what those are, and the 12% increase. I have no problem with that.

11:37 Chairman Nathe: Council will work on those issues and move it along. The next issue is the language in section 9, the parental authorization for testing. What is your position on that language?

12:17 Kirsten Baesler, DPI: The intent of it is good. The earlier we can identify learning disabilities or learning challenges, the sooner intervention can occur. The way this is written it doesn't do anything that isn't already available in there. Our parents are able to request testing at any point in their child's education as early as kindergarten. Language that was unclear was whether or not every child needed to be tested as soon as possible.

13:50 Representative Hunskor: The information that I received where the Directors of Special Ed districts across the state are saying we have the response to intervention. It is working well. They don't want to disturb what is already proven to work.

14:29 Baesler: Yes, it is detecting a multitude of learning challenges that weren't identified before. Most significantly is the federal law where a parent has the authority already to request at any time the testing services.

15:12 Senator Headland: I move to strip this language out of the .5000 version on parental testing. Seconded by Representative Hunskor.

Representative Headland: Would it also include the language under section L?

Chairman Nathe: It would be under 2L.

Representative Hunskor: I agree with you.

A roll call vote was taken: **Yes = 4, No = 2, Absent = 0.** Motion fails.

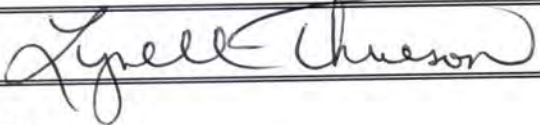
Chairman Nathe adjourned the conference committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 29, 2013 PM
21611

☒ Conference Committee



Minutes:

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum.

Senator Flakoll: Amendment .04057 takes \$50M out of the SIF funds and reduces it from \$200M to \$150M. It does not touch the coal dollars. Of those \$50M in coal funds it remains \$15M as of December 31, 2012. This would give the schools \$165M. This number aligns with the needs. Section 35 is in the event there are uncommitted dollars of \$150M, as of December 31, 2014; those funds up to \$50M could be released. They are looking for dollars for those hospitals. Section 41 portions would be declared emergency. The \$50M could go out right away to help with construction season in some cases.

3:43 Senator Schaible: I move the amendment .04057. Seconded by Senator Heckaman.

Representative Headland: Who makes the decision on which one of these projects gets funded with this taxpayer money?

Chairman Nathe: DPI, stated on page 23.

Representative Hunsakor: From this point and on a school understands what's happening here and they put a request in for loans for construction at a later date. Does that affect the \$50M uncommitted funds? Where's the deadline?

5:11 Senator Flakoll: The deadline is to have those in the queue by December 31, 2014.

Representative Hunsakor: By the 2014 date if there were requests for school construction loans that took care of the money in there, there wouldn't be anything left for hospitals then. Is that possible?

Senator Flakoll: Yes.

Chairman Nathe: called for a roll call vote.

A roll call vote was taken: **Yes = 6, No = 0, Absent = 0.** Motion passed.

Chairman Nathe: In section 20 there were questions about having the state treasurer in there or having the county auditor in there.

7:36 Jeb Oehlke, State Treasurer's Office: The gross oil production tax distribution bill is shaping up. The State Treasurer will be distributing directly to the school district in the oil producing counties. We would be the appropriate entity to withhold the loan payments from gross production tax distributions to schools.

Senator Flakoll: Do you see any further amendment?

Oehlke: No.

Chairman Nathe: Regarding the question on the ending fund balance with the amendment .04050. Question what to do with obligated money and where it goes. It is addressed in that amendment in .04050, section 15, subsection 3. Read this section to the group.

Chairman Nathe: Discussed amendment .04060.

11:28 Senator Flakoll: I move amendment .04060 to HB 1319 that deal with the 12 mills, 12%. Seconded by Senator Schaible.

A roll call vote was taken: **Yes = 6, No = 0, Absent = 0.** Motion carried.

Chairman Nathe adjourned the conference committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 30, 2013 AM
21631

☒ Conference Committee

A. Penrose

Minutes:

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. Let's take a look at Section 35, having to do with the Autism section.

Sen. Flakoll: If you want to bundle it up, let's go to the .04053 amendment. I move the amendment, 13.0278.04053. However, under subsection 4, change the "shall transfer" to "may transfer".

Sen. Heckaman: Second the motion.

Sen. Flakoll: The intent of this is, if the amendment is adopted, then the special education, the early childhood testing would then be removed from it, so when you vote on this you would be voting to remove those two sections that would relate to that.

Ch. Nathe: The parental testing, then with the "shall" to "may" it leaves it up to DPI's discretion whether to move that money.

Rep. Hunsakor: Where does that show up that the testing is not there?

Sen. Flakoll: That's what was asked for Anita, that the intent was to be, as part of this motion, then that would include the removal of that language from the Senate version.

Ch. Nathe: So when she writes up the hog house amendment, parental testing would not be in that amendment, that's agreed upon.

Sen. Flakoll: Those are bundled.

Ch. Nathe: The clerk will take the roll. **5 YES 1 NO 0 ABSENT** **MOTION CARRIED.** We are waiting on the language for the property tax statement. We will hopefully have that at the 3:30 pm meeting. At that time, we will go through the hog house amendment and take action on that amendment. Are there any other issues that need to be addressed prior to that?

Sen. Flakoll: The wording at the end of the amendment, we need to make sure that we handle that. Those are all technical in nature; I don't know that we need to change anything.

Ch. Nathe: What stuff at the end?

Sen. Flakoll: Section 37-41.

Ch. Nathe: On the .05000 version.

Sen. Flakoll: Essentially both chambers had the same intent; we modified one of those, just to be clear. There was a provision in there where we changed the date.

Ch. Nathe: You're talking about the repealers, etc.

Sen. Flakoll: Do we want to knock those out now.

Ch. Nathe: We'll just take care of it in the hog house amendment.

Anita Thomas, LC: If you want to maintain the sunset yes. We need to make sure that we have all of the sections in the bill before we start adjusting that.

Sen. Flakoll: I just wanted to make sure that it was taken care of.

Ch. Nathe: We're waiting on language right now and we'll take up the property tax statement language at the afternoon meeting. We want this consistent with some of the other tax bills that they are working on right now.

Sen. Flakoll: Hopefully, at 3:30 pm you will have that language, and I don't think we have very many amendments left on our side. That would essentially close the door on amendments and then the intent would be that we would agree that this is what we want in the bill, more or less, and then with the adoption of everything.

Ch. Nathe: Do you want to take action on that this afternoon.

Sen. Flakoll: We just want to bundle it and everyone wants to see it and we show it to people who have pretty good eyes.

Ch. Nathe: We will meet tomorrow for final action. We are recessed.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
April 30, 2013 PM
21642

☒ Conference Committee

J. Penrose

Minutes:

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. I've handed out the hog house amendment with the changes and agreements that we've come to. There was one issue left that needed to be addressed. On page 34, section 35, number 5 having to do with the language for the tax statement. This is also going to be placed in HB 1290. This was language agreed upon with the chair of Finance and Tax in both chambers. This will be word for word in this bill and word for word in HB 1290. The House agrees with this language.

Sen. Flakoll: I move on the .04054 amendments on page 34, section 35, and subsection 5 as it relates to identification of property tax savings on tax statements.

Rep. Headland: Second the motion.

Ch. Nathe: Clerk will take the roll. **6 YES 0 NO 0 ABSENT** **MOTION PASSED.**

We have the hog house here that has the 50 mills in there as the Senate had passed it out. We are going to agree and go with that. The other amendments that we've agreed to are all in here. Let's take a look at this tonight and we will meet again by 10:00 am tomorrow. We are in recess.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
May 1, 2013 AM
21651

☒ Conference Committee

APenrose

Minutes:


Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. We're still waiting on some final touch ups on the amendments that Anita Thomas, LC, and others are working on the final language right now from the amendments that were given to us last night. We will meet again after the afternoon floor session. We are in recess.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1319
May 1, 2013 PM
21654

☒ Conference Committee



Minutes:

Chairman Nathe: We will open the conference committee hearing on HB 1319. All members present; we have a quorum. We will take a look at 13.0278.04054 (which was included in the AM minutes). On page 1, section 2, we had some language there in regard to Student Performance Strategist that Rep. Heller brought forward, that was approved. On page 7 (k), is the .082 correct right now in the bill.

Anita Thomas, LC: Yes, .082 that is the carry over.

Ch. Nathe: On page 9 (k), we talked about this earlier in the conference committee several times. The isolated factor will remain at 100, and the (l) is the special education training, was also covered, .02 that we had looked at earlier.

Sen. Flakoll: Just to be clear, since this takes out something, that it doesn't show what it took out in both of those cases with the weighting factor for special education, we did remove that language; Rep. Hunsakor had asked that we make sure with that motion on early childhood testing, that has been properly taken care of.

Ch. Nathe: On page 10, I have a note that deals with the milk amendment, and we'll address that as we go further in the bill. On page 13(f) (2), that is reconciliation language for HB 1358 that needed to be placed in there. On page 17, section 16, #3, we have the "unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2" having to do with the ending fund balance and you can see there that we started at the 45% and then back it down to 35% through the subsequent years. Number 3 there talks about any unobligated money that would include the district's miscellaneous funds. On page 18, look at the proposed changes, this has to do with changing the name of the property tax relief sustainability fund to the "property tax relief fund". On page 19, is the language that we adopted in regards to the "milk amendment" that changed it to "may"; they may utilize the money for those resources. On page 19, section 22, having to do with the school construction projects. That number was backed down from \$200 million to \$150 million. On page 24, subsection d, take a look at the proposed changes I just handed out for page 24. Under subsection d (1) under the new language, it would say the base year mill rate of the school district minus 50 mills; or (2) 60 mills.

Jerry Coleman, DPI: That just cleans up the language. That language was a hold-over from the way it was amended previously. So it is looking at the base year, so the base year mill rate needs to be the same and in sync, so the applicable base year budget year shouldn't have been there in the first place.

Ch. Nathe: Let's take a look at page 25, also having to do with the amendment that Mr. Coleman had just spoken about, changing Section 26 subsection 1 e (1,2,3) changing to 125 mills in #1, reduced by 50 mills in #2, and then a general fund levy limitation of 60 mills in #3 and that's having to do with the amendment he just spoke about. On page 28, on the proposed change amendment, Section 27, #6.

Mr. Coleman: This deals with limitations on property tax increases. Generally, it's the number of mills, the mill levy cap is one of the caps, and another cap is an absolute cap in dollars, so usually it's 12% over your previous year's levy up to 60 mills, that what it will be going forward and it would be on the general fund but because we're in the first year of implementation here and there was an expressed desire to kind of limit that growth on access to that 12 mill misc. fund; the way this will be implemented then, is that you need to establish a baseline year because when you look back to last year with the property tax relief, the amount of mills would be out of whack so that's the reason of going to the 50 mills; all school districts were to be brought down to 50 mills, so that's for establishing that cap then. You establish that base year so that will be 50 mills plus any of the mills that they were using previously that were rolled into that misc. fund so that will establish their baseline year, and then they can't increase more than 12% of that, up to 72 mills for that first year.

Ch. Nathe: So this amendment would grandfather those misc. mills in there.

Mr. Coleman: Had they been levying those mills before, that will get considered in that increase that they have, so that pulls them along in that first year.

Sen. Heckaman: So this takes out the opportunity to automatically levy those 12 mills, doesn't it, if they haven't done it before.

Mr. Coleman: I would say the answer to that is yes, in that first year.

Sen. Schaible: Whatever the school district has now, is established in the base and is what they use and then it's 12% from that; so whatever the existing on these 10-12 or whatever it is, that is established in their base year, and then it's 12% from that.

Mr. Coleman: This language in subsections 6, just to be really clear, is dealing with taxable year 2013 only, so it combines them for that first year test and then after we get by that first year, then #1 and #2 above, the 12 mills will be separate from the general fund in those tests.

Ch. Nathe: So #1 and #2 would pertain to the second year.

Mr. Coleman: Yes, going forward after this first year.

Rep. Hunsakor: So the first year they cannot access the 12 mills. Is that what I hear?

Ch. Nathe: Yes. On page 32 having to do with the special reserve fund. That is the reserve fund that the school districts can get 3 mills a year. The amendment would allow them to accumulate for five years and then they would have to move that money over to the general fund. That is on page 32 and then on page 33 it talks about when and where that money would be shifted.

Sen. Heckaman: Didn't we talk about this earlier, that moving that money would not count against them in the ending fund balance and a few days ago, we talked about that yes it would count.

Ch. Nathe: I believe it would, it would count against them. With the five year being carried forward and then move the money over to the general fund.

Mr. Coleman: My understanding is that if they do have an excess in that fund, on July 1st they are to transfer that into their general fund and so there is no prohibition from considering that in their ending fund balance. They have that full year to deal with it, they would need to consider that in their budgeting for that particular year; there is no protection for them in that first year that they roll that in.

Sen. Flakoll: Essentially, they are co-mingled. They wouldn't know if they were spending those dollars or the current general fund dollars that went into the ending fund balance.

Ch. Nathe: Just take it from here and slide it into another category. Page 34 of the amendments, having to do with the tax statement that will be out. Looking at the proposed changes, when it comes to the tax statement on page 34, line 5, under the proposed change handout we just took out, this has to do with the property tax statement. This is from HB 1290. We want to stay consistent with HB 1290 and put it in here. This lays it out, about what would be included on the property tax form. When you see 1(c), most of that is what we had originally put in the bill here and then we'll see the rest here as far as what the tax committees did in HB 1290 as far as laying it out, what must happen.

Sen. Flakoll: Do you support the changes here.

Rep. Headland: Yes, this is the first I've seen of this. I'm thinking it's exactly like 1290; however, I didn't know that we were going to put all this language in here until right now. I thought we would have been able to get by with the subsection (c). Something must have changed and I don't know where that came from.

Ch. Nathe: The new stuff is (c); it's just highlighted 1a and 1b, that's already in the bill. So we're really talking about (c). On page 35, section 39, having to do with school construction loans, if you remember we had lowered it down to \$150M, we lowered it down by \$50M so that the hospitals could take it. Section 39, just says that if there is any money left over in the school construction loan after December 31, 2014, then the hospitals would be eligible for taking any of the money that is left there. The Land Board would pretty much determine how much is shifted over to the category where the hospitals could then utilize it. Then in section 40, we had made an amendment yesterday, as far as changing the word

from "shall" to "may" and that is in section 40, subsection 4, and the 4th line down. On page 37, #2 is new language having to do with the HVAC, with the dates, with the amendment that we had placed on about 16 meetings ago. We had to work on getting that. It isn't green because we had no discussed this as a committee as of late. That's been worked out with the people involved in those bonds and working with HVAC levies. On the last page of the proposed changes, pg. 34, just a caption change: Section 36 would read. "School district supplementary assistance payment. Just a heading change. It has to do with Rep. D. Johnson's amendment.

Sen. Flakoll: I move that the Senate recede from their amendments as printed on page 1424-1454 of the House Journal and on pages 1029-1060 of the Senate journal and that reengrossed HB 1319, be amended as follows: with the .4054 amendment to include also the proposed changes that were handed out today, May 1 as we previously discussed.

Sen. Schaible: Second the motion.

Ch. Nathe: Thank you for your hard work, this isn't an easy thing to do and it is a landmark piece of legislation so I want to thank everybody for their time and effort in working on this. The clerk will take the roll.

5 YES 1 NO 0 ABSENT MOTION PASSES

SENATE RECEDE FROM ITS AMENDMENTS AND AMENDED AS FOLLOWS

Ch. Nathe, Carrier

Sen. Flakoll, Carrier

FISCAL NOTE
Requested by Legislative Council
05/02/2013

Amendment to: Reengrossed HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,669,574,000	\$140,326,000		
Appropriations			\$1,669,574,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,095,726,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It discontinues the current mill levy reduction grant program. State taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and a percentage (75%/100%) of identified local in-lieu of property tax sources, reducing local support for the cost of education from 35% to 18% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the public school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and a percentage (75%/100%) of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • The home education supervised factor was reduced from .500 to .200. This change decreases weighted student units by 50. The estimated saving in the formula is \$515,000. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 825 weighted student units. The estimated cost is \$7,315,000. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Identified other in-lieu revenue for inclusion in the formula resulting in a

reduction of \$2.9 million. • Changes in the percentage of other in-lieu revenue included in the formula resulting in a reduction of \$2.7 million. Section 12 State Aid – Minimum local effort – Determination • Changes the minimum local effort calculation to 20% of the state average resulting in an increase of \$10.6 million. Section 38 Appropriation: • This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 37. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Appropriation: HB 1013 Integrated Formula Payments 1,809,800,000 HB 1319 Section 38 Study 100,000 Funding: General fund 1,669,574,000 Tuition fund 140,326,000 2011-13 Appropriation carry forward authority (not reflected in numbers above): HB 1319 Section 36 Supplemental Assistance Payment 158,150 HB 1319 Section 40 CTE Certificate Program transfer 250,000

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 05/02/2013

FISCAL NOTE
Requested by Legislative Council
04/02/2013

Revised
Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,669,824,000	\$140,326,000		
Appropriations			\$1,544,574,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,095,976,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. State taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and a percentage (75%/100%) of identified local in-lieu of property tax sources, reducing local support for the cost of education from 35% to 18% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the public school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and a percentage (75%/100%) of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • The home education supervised factor was reduced from .500 to .200. This change decreases weighted student units by 50. The estimated saving in the formula is \$515,000. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 825 weighted student units. The estimated cost is \$7,315,000. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Identified other in-lieu revenue for inclusion in the formula resulting in a

reduction of \$2.9 million. • Changes in the percentage of other in-lieu revenue included in the formula resulting in a reduction of \$2.7 million. Section 12 State Aid – Minimum local effort – Determination • Changes the minimum local effort calculation to 20% of the state average resulting in an increase of \$10.6 million. Section 34 Appropriation: • This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 33. Section 35 Appropriation • This section appropriates \$250,000 to CTE for a certificate program preparing individuals with autism spectrum disorder for employment in the technology sector. Expenditures include an additional \$4.0 million for revised budget estimates.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill: Appropriation: HB 1013 Integrated Formula Payments 1,684,550,000 HB 1319 Section 34 Study 100,000 HB 1319 Section 35 CTE Certificate Program 250,000 Funding: General fund 1,544,574,000 Tuition fund 140,326,000 NOTE: The fiscal note does not address fiscal impacts of HB 1358 (OGGPT) or SB 2214 (isolated school transition payments).

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 04/04/2013

FISCAL NOTE
Requested by Legislative Council
02/28/2013

Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,544,324,000	\$140,326,000		
Appropriations			\$1,544,324,000	\$140,326,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,089,976,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 70 mills and 75% of other in-lieu of property tax dollars, reducing local support for the cost of education from 35% to 27% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 80 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for

calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. • Changes the mill rate for the local contribution from property taxes from 50 mills to 70 mills. The estimated savings in the formula is \$119.6 million. Section 34 Appropriation: This section appropriates \$100,000 to the legislative council for the study of education funding and accountability in section 33. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill: Appropriation: HB 1013 Integrated Formula Payments 1,684,550,000 HB 1319 Section 34 Study 100,000 Funding: General fund 1,544,324,000 Tuition fund 140,326,000

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 03/04/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Revised
Amendment to: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$949,650,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through baseline adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the revenue generated during the 2012-13 school year from state school aid formula funding, mill levy reduction grants, general fund, technology and alternative education levies, and 75% of identified local in-lieu of property tax sources. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 9 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. • Changes REA factor from .004 to .002. This change decreases weighted student units by 405. The estimated savings in the formula is \$3.7 million. • Changes the ADM eligibility criteria for isolated schools from 100 to 125. This change adds 125 weighted student units. The estimated cost is \$1.3 million. Section 10 School district size weighting factor – Weighted student units: • Extends the school district size weighting factor schedule down to 125 students. This change adds 850 weighted student units. The estimated cost is \$7,750,000. Section 10 State aid determination: • Include revenue received by the school district from payments in-lieu of taxes and state

reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 11 Baseline funding – Establishment – Determination of state aid. • Changes in the methodology for calculating baseline adjustments from a state funding focus to a state and local funding focus. The estimated cost is \$4.8 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000. Expenditures include an additional \$4.0 million for revised budget estimates.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/16/2013

FISCAL NOTE
Requested by Legislative Council
01/16/2013

Revised
 Bill/Resolution No.: HB 1319

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$944,500,162	\$854,499,838		
Appropriations			\$932,900,162	\$854,499,838		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts		\$1,073,266,162	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1319 is the integrated K-12 formula plan implementing the Executive Budget recommendation to deliver both expanded property tax relief and adequacy-based education funding.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill implements a fundamental change in the K-12 school funding formula. It is based on the premise that the state will determine the base level of support necessary to educate its students to state standards and provide that level of support to school districts through a combination of state and local tax sources. It repeals the current mill levy reduction grant program. The state taxes will fund a larger share of the cost of education accomplished through increased state funding for the new integrated formula. The local funding requirement will be set at 50 mills and 75% of other in-lieu of property tax dollars, reducing local support for schools from 35% to 21% statewide. In exchange for increased state funding through the adequacy formula, school district levy authority is rewritten to reduce the general fund mill levy cap to 60 mills and to consolidate the numerous special purpose levies into a miscellaneous 12 mill authority under the control of the local school board. Levies for capital purposes and reserve funds are maintained. Major impact on school district budgets is minimized through transition adjustments. A baseline rate per weighted student unit is calculated for each school district. The baseline rate is determined by dividing the sum of 2012-13 state school aid, 2012-13 mill levy reduction grants and an amount determined by multiplying the combined education mills levied over 50 mills (limited to 60 mills) times taxable valuation for the 2011 tax year by 2012-13 weighted student units. The formula payment is adjusted to minimum and maximum baseline funding on a weighted student unit basis. The K-12 funding proposal provides an increase of \$527.2 million accounted for as follows: State Cost to Continue \$27.7 million Cost of Projected Student Growth \$53.5 million Increase in Per Student Payment \$73.6 million Increase in Property Tax Relief \$372.4 million Changes in HB 1319 with fiscal impact that are not reflected in the Executive Budget recommendation: Section 8 Weighted average daily membership: • The special education factor is increased from .079 to .082. This change adds 612 weighted student units. The estimated additional cost is \$5.5 million. Section 10 State aid determination: • Mineral revenue in excess of two million dollars received by the school district and reported under code 2000 of the North Dakota school district accounting and reporting manual, is excluded from the formula. The estimated additional cost of the exclusion is \$9 million. • Include revenue received by the school district from payments in-lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit in the local contribution requirement in the formula. The estimated savings in the formula is \$2.9 million. Section 15 Annual Salary – Minimum amount: This section raises the minimum salary

amount for a full-time teacher, under contract for a period of nine months, to \$27,500 from \$22,500. The impact will be on local school districts. Salary data identified 25 teachers teaching 100% of the time with salaries between \$22,500 and \$27,500 in 2011-12. Increasing those salaries to the new minimum would cost local school districts \$42,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding for this bill is in HB 1013. Appropriation: Integrated Formula Payments 1,787,400,000 Grants – Mill Levy Reduction 0 Grants – State School Aid 0 Funding: General fund 932,900,162 General fund (transferred from property tax fund) 0 Tuition fund 140,326,000 Property tax relief sustainability fund 714,173,838

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 02/05/2013

✓12
5/11/13
1837

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 and a new section to chapter 15.1-35 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-07-32, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide supplemental assistance payments; to provide for a transfer; to provide for a legislative management study; to provide for a suspension; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

SECTION 2. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~ Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional

coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~:

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and serve-
2. Serve as a tutor or an instructional coach.

SECTION 3. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.

12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.

31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 4. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 5. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations ~~applicable to the property~~ under chapter 57-15. The

auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 6. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

1. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:

- a. ~~To purchase, exchange, lease, or improve sites for schools.~~
- b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
- c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
- d. ~~To provide fuel.~~
- e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
- f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~

2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements or limitations of this title and title 57.~~

SECTION 7. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to~~ may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~ the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall cause ~~certify~~ the rate for each purpose ~~to be certified by the business~~

~~manager~~ to the city auditor in time to be added to the annual tax list of the city. ~~It is the duty of the~~ The city auditor ~~to~~ shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~ make an assessment roll and tax list ~~to be made and~~ submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

SECTION 8. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the~~ taxable valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected~~.

SECTION 9. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent--
Levy.**

1. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.

2. ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 10. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015)
Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.07~~ 0.082 the number of students enrolled in average daily membership, in order to support the-provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and

- (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0-500.20~~ the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and

- (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.0790~~0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the

Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 11. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
 - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
 - g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
 - h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;

- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- b-l. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- t-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

- s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 12. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;

- b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
- c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
- d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
- e. An amount equal to that raised by the district's 2012 alternative education program levy; and
- f. An amount equal to:
 - (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (6) All revenue received by the school district from mobile home taxes;
 - (7) Seventy-five percent of all revenue received by the school district 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);
 - (8) All telecommunications tax revenue received by the school district; and

- (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and

- 15037
- b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
 - 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.

SECTION 13. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 14. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. ~~Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:~~
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any~~ any school district that reorganizes on or after July 1, 2007.
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 15. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1. a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty.~~
 - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty-one.~~
 - c. ~~Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:
 - ~~(1)~~a. The school district's calendar; or
 - ~~(2)~~b. One hundred eighty-two.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
 - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - b. The two days set aside for professional development activities under section 15.1-06-04; and
 - c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
 3. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

- 17837
- b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 16. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1.
 - a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
 - b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
 - c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.
3. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

SECTION 17. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. ~~Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~

180651

2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 18. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. a. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.
- b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.
2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.
3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 19. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 20. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

190831

SECTION 21. A new section to chapter 15.1-35 of the North Dakota Century Code is created and enacted as follows:

Beverages - Snack breaks.

During the 2013-15 biennium, a school district may utilize resources provided in accordance with subdivision n of subsection 1 of section 15.1-27-03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is provided.

SECTION 22. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. ~~If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed taxable valuation per student, the district is entitled to receive:~~
 - a. A school construction loan equal to the lesser of ~~twelve~~twenty million dollars or ~~eighty~~ninety percent of the actual project cost;

- b. An interest rate discount equal to at least one hundred but not more than ~~two~~four hundred ~~fifty~~-basis points below the prevailing tax-free bond rates; and
- c. A term of repayment that may extend up to twenty years.

~~5.4.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~-taxable valuation per student, the district is entitled to receive:

- a. A school construction loan equal to the lesser of ~~ten~~fifteen million dollars or ~~seventy~~eighty percent of the actual project cost;
- b. An interest rate buydown equal to at least one hundred but not more than ~~two~~three hundred ~~fifty~~-basis points below the prevailing tax-free bond rates; and
- c. A term of repayment that may extend up to twenty years.

~~6.5.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~-taxable valuation per student, the district is entitled to receive:

- a. A school construction loan equal to the lesser of ~~four~~ten million dollars or ~~thirty~~seventy percent of the actual project cost;
- b. An interest rate discount equal to at least one hundred but not more than ~~two~~three hundred ~~fifty~~-basis points below the prevailing tax-free bond rates; and
- c. A term of repayment that may extend up to twenty years.

~~7.6.~~ The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.

~~8.7.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

~~9.8.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.

~~10.~~ ~~The superintendent of public instruction may adopt rules governing school construction loans.~~

- 9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the

state treasurer, its evidence of indebtedness indicating that the loan originated under this section.

- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.

44.10. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 23. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision c of subsection 1 of~~ using the proceeds of levies, as permitted by section 57-15-14.2.

SECTION 24. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision c of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 25. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the

electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;

- b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. ~~Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~
 - e. ~~Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the~~

~~school district's mill levy reduction grant under section 57-64-02 for the base year.~~

- d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
 - (1) The base year mill rate of the school district minus fifty mills; or
 - (2) Sixty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 26. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations~~Voter approval of excess levies in school districts.~~

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
 - e. For taxable years beginning after 2012:
 - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred twenty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by fifty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.

5.
 - f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2.
 - a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~ No fewer than twenty-five signatures are required. ~~However, the~~
 - b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
 - c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 27. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account
School district levies.

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
 - a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~
 - b. ~~The teachers' retirement fund as provided in section 15-39.1-28.~~
 - c. ~~Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
 - d. ~~Special education program as provided in section 15.1-32-20.~~
 - e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
 - f. ~~A final judgment obtained against a school district.~~
 - g. ~~The district's share of contribution to the old age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
 - h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school~~

~~building construction shall apply to any rented or leased buildings, property, or classroom space.~~

- ~~i. Unemployment compensation benefits.~~
 - ~~j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement; any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36; any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school; and for providing an alternative education program as provided in section 57-15-17.1.~~
 - ~~k. Participating in cooperative career and technical education programs approved by the state board.~~
 - ~~l. Maintaining a career and technical education program approved by the state board and established only for that school district.~~
 - ~~m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
 - ~~n. Establishing and maintaining school library services.~~
 - ~~o. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
 - ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
 - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
 - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~

- 2848
1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
 2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
 3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
 4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
 5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
 6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of seventy-two mills. For purposes of this subsection, the allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of fifty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.

SECTION 28. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy—~~Voter~~ approval.

4. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~

2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining any balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 29. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings ~~or and~~ facilities, ~~or additions to old,~~
 - (2) The renovation, repair, or expansion of school district buildings or and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (2)(5) The payment of rentals upon contracts with the state board of public school education;
 - (3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57-
 - (4) ~~Within the limitations of school plans as provided in subsection 2 of section 57-15-16;~~ and

- (5)(7) The payment of principal, ~~premium, if any premiums,~~ and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.
- (6) ~~The payment of premiums for fire and allied lines, liability, and multiple-peril insurance on any building and its use, occupancy, fixtures, and contents.~~
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
- 2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
- 3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
- 4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 30. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies — Multiyear mercury and hazardous substance abatement or removal — Required remodeling — Alternative education programs — Heating, ventilation, and air conditioning systems
Discontinuation of special funds - Required transfers.

- 1. ~~The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:~~
 - a. ~~Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any~~

method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;

- b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;
 - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;
 - d. Providing alternative education programs; and
 - e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air conditioning engineers, incorporated standards.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.
 3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
 4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.
 5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.
 6. Any On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys remaining in the required remodeling fund after completion of the remodeling projects, any funds, any moneys remaining in the alternative education program fund at the termination of the program, and any funds moneys remaining in the heating, ventilation, and air conditioning

32801

~~upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 31. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 32. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed that which could be produced by a levy of the maximum mill levy allowed by law fifteen mills in that district for that year.

SECTION 33. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.~~
2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

SECTION 34. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 35. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must include:
 - a. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. ~~The tax statement must include~~

- b. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
- c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by taxpayers under chapter 15.1-27. For purposes of this subdivision, legislative tax relief is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:
 - (1) Sixty mills; or
 - (2) The 2012 taxable year mill rate of the school district minus fifty mills.
- 2. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 36. SCHOOL DISTRICT SUPPLEMENTAL ASSISTANCE PAYMENT.

- 1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other school district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and
 - c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
- 2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enrolled in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
- 3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.

4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much of that amount as may be necessary, to provide the supplemental assistance payment required by this section.
5. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly.

**SECTION 37. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF
EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.

- 360801
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 38. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 39. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS - ADDITIONAL PURPOSES. Notwithstanding section 15.1-36-02, if as of December 31, 2014, any portion of the \$150,000,000 referenced in subdivision b of subsection 1 of section 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the state board of university and school lands may authorize up to \$50,000,000 of the uncommitted amount for the purpose of providing medical facility infrastructure loans in accordance with Reengrossed Senate Bill No. 2187, as enacted by the sixty-third legislative assembly.

SECTION 40. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.

1. During the 2014-15 school year, the department of career and technical education shall provide a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.
2. The amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
3. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent may transfer \$250,000, or so much of that amount as may be necessary, to the department of career and technical education, to provide the autism spectrum disorder grant required by this section.

SECTION 41. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 42. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 43. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

3700'

SECTION 44. EXPIRATION DATE. Sections 11 through 13, 16, 18, 22, 29, and 32 through 35 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 45. EFFECTIVE DATE - EXPIRATION DATE.

1. Sections 1, 6, 7, 20, 23 through 28, 30, and 31 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective.
2. Section 57-15-17.1 remains effective through June 30, 2013, for the purpose of any levy and bond issuance authorized by the board of a school district from January 1, 2013, through June 30, 2013. The amendment to section 57-15-17.1, as set forth in section 30 of this Act, is effective beginning July 1, 2013, for the duration of the 2013 taxable year, and for the taxable year beginning after December 31, 2013.
3. Section 35 of this Act is effective for taxable years beginning after December 31, 2012, in the case of ad valorem taxes and for taxable years beginning after December 31, 2013, in the case of mobile home taxes.

SECTION 46. EMERGENCY. Sections 22, 36, and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

Date: 4/20/13
Roll Call Vote #: —

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1319

House

EDUCATION

Committee

☒ Check here for Conference Committee

Legislative Council Amendment Number 04036

Action Taken: ☐ Do Pass ☐ Amended ☐ Rerefer to Appropriations

☐ Do Not Pass ☒ Adopt Amendment

Motion Made By Rep. Headland Seconded By Sen. Flakoll

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe			Rep. Bob Hunsakor		
Rep. Mike Schatz			Rep. Jerry Kelsh		
Rep. Joe Heilman			Rep. Corey Mock		
Rep. Brenda Heller					
Rep. Dennis Johnson					
Rep. Ben Koppelman					
Rep. Lisa Meier					
Rep. Karen Rohr					
Rep. David Rust					
Rep. John Wall					

TOTAL (YES) _____ (NO) _____ (ABSENT) _____

FLOOR ASSIGNMENT _____

If the vote is on an amendment, briefly indicate intent:

Voice Vote - Motion carried.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/22/13

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Headland Seconded by: Rep. Hunskov

Representatives					Yes	No	Senators					Yes	No
Ch. Nathe							Sen. Flakoll						
Rep. Headland							Sen. Schaible						
Rep. Hunskov							Sen. Heckaman						

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Motion failed since
2 senators did not vote for Schatz amendment
13.0278.04035.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/23/13

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Hunskor Seconded by: Rep. Heckaman

Representatives				Yes	No		Senators				Yes	No
Ch. Nathe				✓			Sen. Flakoll					✓
Rep. Headland				✓			Sen. Schaible					✓
Rep. Hunskor				✓			Sen. Heckaman				✓	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion Failed —

Moving from 100 students to 125.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/25/2013

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Heckaman

Representatives				Yes	No		Senators				Yes	No
Ch. Nathe				✓			Sen. Flakoll				✓	
Rep. Headland				✓			Sen. Schaible				✓	
Rep. Hunskor				✓			Sen. Heckaman				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

13.0278.04052

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/25/13

Roll Call Vote #: 2

- Action Taken**
- ☐ HOUSE accede to Senate amendments
 - ☐ HOUSE accede to Senate amendments and further amend
 - ☐ SENATE recede from Senate amendments
 - ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Heckaman Seconded by: Rep. Headland

Representatives				Yes	No		Senators				Yes	No
Ch. Nathe				<input checked="" type="checkbox"/>			Sen. Flakoll				<input checked="" type="checkbox"/>	
Rep. Headland				<input checked="" type="checkbox"/>			Sen. Schaible				<input checked="" type="checkbox"/>	
Rep. Hunskor				<input checked="" type="checkbox"/>			Sen. Heckaman				<input checked="" type="checkbox"/>	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

13.0278.04042

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/25/13

Roll Call Vote #: 3

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Heckaman

Representatives				Yes	No	Senators				Yes	No
Ch. Nathe				✓		Sen. Flakoll				✓	
Rep. Headland				✓		Sen. Schaible				✓	
Rep. Hunskor				✓		Sen. Heckaman				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

13.0278. ~~04038~~
 04038

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/26/13

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Headland Seconded by: Sen. Flakoll

Representatives	4-24	4-25	4-26	Yes	No		Senators	4-24	4-25	4-26	Yes	No
Ch. Nathe	✓	✓	✓				Sen. Flakoll	✓	✓	✓		
Rep. Headland	✓	✓	✓				Sen. Schaible	✓	✓	✓		
Rep. Hunsakor	✓	✓	✓				Sen. Heckaman	✓	✓	✓		

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Amendment .04055 passed.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/27/13

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Headland Seconded by: Sen. Flakoll

Representatives	4-27		Yes	No		Senators	4-27		Yes	No
Ch. Nathe	✓		✓			Sen. Flakoll	✓		✓	
Rep. Headland	✓		✓			Sen. Schaible	✓		✓	
Rep. Hunsakor	✓		✓			Sen. Heckaman	✓			✓

Vote Count Yes: 5 No: 1 Absent: _____

House Carrier _____ Senate Carrier _____

LC Number 13.0278.04051 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion passed.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/29/13 AM

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Headland Seconded by: Rep. Hunsakor

Representatives	4-29		Yes	No		Senators	4-29		Yes	No
Ch. Nathe	✓		✓			Sen. Flakoll	✓			✓
Rep. Headland	✓		✓			Sen. Schaible	✓			✓
Rep. Hunsakor	✓		✓			Sen. Heckaman	✓		✓	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Remove parental testing on the .05000 -
Motion failed.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/29/13 PM

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Schaible Seconded by: Sen. Heckaman

Representatives				Yes	No		Senators				Yes	No
Ch. Nathe				✓			Sen. Flakoll				✓	
Rep. Headland				✓			Sen. Schaible				✓	
Rep. Hunsakor				✓			Sen. Heckaman				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 13.0278.04057 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

motion passed

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/30/13 Am

Roll Call Vote #: 1

- Action Taken**
- ☐ HOUSE accede to Senate amendments
 - ☐ HOUSE accede to Senate amendments and further amend
 - ☐ SENATE recede from Senate amendments
 - ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Heckaman

Representatives	<u>4-30</u>		Yes	No		Senators	<u>4-30</u>		Yes	No
Ch. Nathe	✓		✓			Sen. Flakoll	✓		✓	
Rep. Headland	✓			✓		Sen. Schaible	✓		✓	
Rep. Hunskor	✓		✓			Sen. Heckaman	✓		✓	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 13.0278.04053 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 4/30/13 PM

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Headland

Representatives				Yes	No		Senators				Yes	No
Ch. Nathe				✓			Sen. Flakoll				✓	
Rep. Headland				✓			Sen. Schaible				✓	
Rep. Hunsakor				✓			Sen. Heckaman				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 13.0278-04054 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

motion passed.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Education

Bill/Resolution No. 1319 as (re) engrossed

Date: 5/1/13

Roll Call Vote #: 1

Action Taken

- ☐ HOUSE accede to Senate amendments
☐ HOUSE accede to Senate amendments and further amend
☐ SENATE recede from Senate amendments
☒ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1424 - 1454

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 1319 was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Schaible

Representatives	51		Yes	No		Senators	51		Yes	No
Ch. Nathe	✓		✓			Sen. Flakoll	✓		✓	
Rep. Headland	✓			✓		Sen. Schaible	✓		✓	
Rep. Hunskor	✓		✓			Sen. Heckaman	✓		✓	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 13.0278.04063 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1319, as reengrossed: Your conference committee (Sens. Flakoll, Schaible, Heckaman and Reps. Nathe, Headland, Hunsakor) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1424-1454, adopt amendments as follows, and place HB 1319 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 and a new section to chapter 15.1-35 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-07-32, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide supplemental assistance payments; to provide for a transfer; to provide for a legislative management study; to provide for a suspension; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, ~~the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.~~

SECTION 2. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~ Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~

1. a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or

- b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and serve-

2. Serve as a tutor or an instructional coach.

SECTION 3. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.

16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 4. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 5. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations applicable to the property under chapter 57-15. The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 6. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

4. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:
 - a. ~~To purchase, exchange, lease, or improve sites for schools.~~
 - b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~

- c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
 - d. ~~To provide fuel.~~
 - e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
 - f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~
2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements or limitations of this title and title 57.~~

SECTION 7. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

~~The board of education of the city of Fargo has the power to may levy taxes within the boundaries of the Fargo public school district and to cause such the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall cause certify the rate for each purpose to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the The city auditor to shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may cause make an assessment roll and tax list to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.~~

SECTION 8. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

~~The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the dollar valuation of the taxable valuation of property of the city in~~

the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the~~ taxes to be raised, levied, and collected.

SECTION 9. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent--
Levy.**

4. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.

~~2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 10. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015)
Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of

proficiency and therefore placed in the second of six categories of proficiency; and

- (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the-provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.50~~ 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
 - j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
 - k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than

two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

- l. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
 - m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
 - n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
 - o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 11. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

- a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
- b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
- c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
- d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i-s.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j-t.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;

- ~~k-u.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l-v.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m-w.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n-x.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- ~~o-y.~~ 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- ~~p-z.~~ 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- ~~q-aa.~~ 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- ~~r-bb.~~ 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- ~~s-cc.~~ 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- ~~t-dd.~~ 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- ~~u-ee.~~ 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- ~~v-ff.~~ 1.04 if the students in average daily membership number at least 380 but fewer than 390;
- ~~w-gg.~~ 1.03 if the students in average daily membership number at least 390 but fewer than 400;
- ~~x-hh.~~ 1.02 if the students in average daily membership number at least 400 but fewer than 600;
- ~~y-ii.~~ 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
- ~~z-jj.~~ 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- 1.25 if the students in average daily membership number fewer than 125;
 - 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - 1.00 if the students in average daily membership number at least 200.

3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 12. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
 - f. An amount equal to:
 - (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;

- (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (6) All revenue received by the school district from mobile home taxes;
 - (7) Seventy-five percent of all revenue received by the school district 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);
 - (8) All telecommunications tax revenue received by the school district; and
 - (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
 2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
 3.
 - a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
 - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.

- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
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.

SECTION 13. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 14. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. ~~Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:~~
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any any school district that reorganizes on or after July 1, 2007.~~
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.

- c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 15. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1.
 - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty.~~
 - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty-one.~~
 - c. ~~Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:
 - ~~(1)~~a. The school district's calendar; or
 - ~~(2)~~b. One hundred eighty-two.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
 - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - b. The two days set aside for professional development activities under section 15.1-06-04; and

- c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 16. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1.
 - a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
 - b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
 - c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.
3. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

SECTION 17. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. ~~Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~
2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 18. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. a. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.
- b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.
2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.
3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 19. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 20. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. A school district that furnishes either transportation or an allowance for the provision of

~~meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 21. A new section to chapter 15.1-35 of the North Dakota Century Code is created and enacted as follows:

Beverages - Snack breaks.

During the 2013-15 biennium, a school district may utilize resources provided in accordance with subdivision n of subsection 1 of section 15.1-27-03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is provided.

SECTION 22. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's ~~imputed~~taxable valuation per student is less than eighty percent of the state average ~~imputed~~taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~twelve~~twenty million dollars or ~~eighty~~ninety percent of the actual project cost;

- b. An interest rate discount equal to at least one hundred but not more than ~~two~~four hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- ~~5.4.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~-taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~ten~~fifteen million dollars or ~~seventy~~eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- ~~6.5.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~-taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~four~~ten million dollars or ~~thirty~~seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- ~~7.6.~~ The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- ~~8.7.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- ~~9.8.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
- ~~10.~~ ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.

- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.

~~44-10.~~ For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 23. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision c of subsection 1 of~~ using the proceeds of levies, as permitted by section 57-15-14.2.

SECTION 24. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in

addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 25. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;
 - b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium

property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
 - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. ~~Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~
 - e. ~~Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the base year.~~
 - d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
 - (1) The base year mill rate of the school district minus fifty mills; or
 - (2) Sixty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:

- a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
- b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 26. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitationsVoter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 2. b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
 3. c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
 4. d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy

for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

- e. For taxable years beginning after 2012:
- (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred twenty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by fifty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.
5. f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~ No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 27. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account~~School district levies.~~

1. A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:

- a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~
- b. ~~The teachers' retirement fund as provided in section 15.30.1-28.~~
- c. ~~Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
- d. ~~Special education program as provided in section 15.1-32-20.~~
- e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
- f. ~~A final judgment obtained against a school district.~~
- g. ~~The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.~~
- i. ~~Unemployment compensation benefits.~~
- j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
- k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
- l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~
- m. ~~Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
- n. ~~Establishing and maintaining school library services.~~
- o. ~~Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
- p. ~~Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~

- ~~q. Establishing, maintaining, and conducting a public recreation system.~~
 - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
- 2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
- 3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~
- 1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
- 2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
- 3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
- 4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
- 5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
- 6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the

amount in dollars determined under this subsection, plus twelve percent up to a combined levy of seventy-two mills. For purposes of this subsection, the allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of fifty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.

SECTION 28. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.5. Long-distance learning and educational technology levy--
Voter approval.**

1. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining any balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 29. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings ~~and~~ and facilities, ~~or additions to old,~~
 - (2) The renovation, repair, or expansion of school district buildings and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.

- ~~(3)~~ The improvement of school district buildings, facilities, and real property;
 - ~~(4)~~ The leasing of buildings and facilities;
 - ~~(2)(5)~~ The payment of rentals upon contracts with the state board of public school education;
 - ~~(3)(6)~~ The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57;
 - ~~(4)~~ Within the limitations of school plans as provided in subsection 2 of section 57-15-16; and
 - ~~(5)(7)~~ The payment of principal, ~~premium, if any premiums,~~ and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.
 - ~~(6)~~ The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 30. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies—Multiyear mercury and hazardous substance abatement or removal—Required remodeling—Alternative education programs—Heating, ventilation, and air-conditioning systemsDiscontinuation of special funds - Required transfers.

1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:
 - a. Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;
 - b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;
 - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;
 - d. Providing alternative education programs; and
 - e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air-conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air-conditioning engineers, incorporated standards.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.
3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.
5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air-conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.

6. ~~Any~~On July 1, 2013, each school district shall transfer to its building fund or its general fund ~~any~~ moneys remaining in the mercury and hazardous substance abatement or removal fund ~~after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any~~ moneys remaining in the required remodeling fund ~~after completion of the remodeling projects, any funds, any~~ moneys remaining in the alternative education program fund ~~at the termination of the program, and any funds~~ moneys remaining in the heating, ventilation, and air-conditioning upgrade fund ~~after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 31. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 32. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum. The balance of~~ moneys in the fund may not exceed that which could be produced by a levy of the maximum mill levy allowed by law ~~fifteen mills~~ in that district for that year.

SECTION 33. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

- ~~1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.~~
- ~~2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.~~

SECTION 34. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.

SECTION 35. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must include:
 - a. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. ~~The tax statement must include~~

- b. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
 - c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by taxpayers under chapter 15.1-27. For purposes of this subdivision, legislative tax relief is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:
 - (1) Sixty mills; or
 - (2) The 2012 taxable year mill rate of the school district minus fifty mills.
2. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 36. SCHOOL DISTRICT SUPPLEMENTAL ASSISTANCE PAYMENT.

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other school district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and
 - c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enrolled in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much

of that amount as may be necessary, to provide the supplemental assistance payment required by this section.

5. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly.

**SECTION 37. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF
EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 38. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 39. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS - ADDITIONAL PURPOSES. Notwithstanding section 15.1-36-02, if as of December 31, 2014, any portion of the \$150,000,000 referenced in subdivision b of subsection 1 of section 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the state board of university and school lands may authorize up to \$50,000,000 of the uncommitted amount for the purpose of providing medical facility infrastructure loans in accordance with Reengrossed Senate Bill No. 2187, as enacted by the sixty-third legislative assembly.

SECTION 40. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.

1. During the 2014-15 school year, the department of career and technical education shall provide a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.
2. The amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
3. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent may transfer \$250,000, or so much of that amount as may be necessary, to the department of career and technical education, to provide the autism spectrum disorder grant required by this section.

SECTION 41. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 42. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 43. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 44. EXPIRATION DATE. Sections 11 through 13, 16, 18, 22, 29, and 32 through 35 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 45. EFFECTIVE DATE - EXPIRATION DATE.

1. Sections 1, 6, 7, 20, 23 through 28, 30, and 31 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective.

2. Section 57-15-17.1 remains effective through June 30, 2013, for the purpose of any levy and bond issuance authorized by the board of a school district from January 1, 2013, through June 30, 2013. The amendment to section 57-15-17.1, as set forth in section 30 of this Act, is effective beginning July 1, 2013, for the duration of the 2013 taxable year, and for the taxable year beginning after December 31, 2013.
3. Section 35 of this Act is effective for taxable years beginning after December 31, 2012, in the case of ad valorem taxes and for taxable years beginning after December 31, 2013, in the case of mobile home taxes.

SECTION 46. EMERGENCY. Sections 22, 36, and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

Reengrossed HB 1319 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1319

Testimony on HB 1319

Rep. David Monson

House Education Committee

Mr. Chairman and members of the House Education Committee, I am Rep. David Monson from District 10 in northeastern ND. I'm here to help introduce this education funding bill and lend my support to it. I was honored to be asked to help sponsor this K-12 funding bill. There's a lot of material to digest in a short time. Although I spent most of my adult life as a school teacher/administrator and served with the governor and others for a number of years on the Governor's Commission on School Improvement, I'm still going to rely on others on our team to answer a lot of the questions and explain the inner workings of this bill section by section. Hopefully, when we have finished you'll have a better understanding of what it does and does not do.

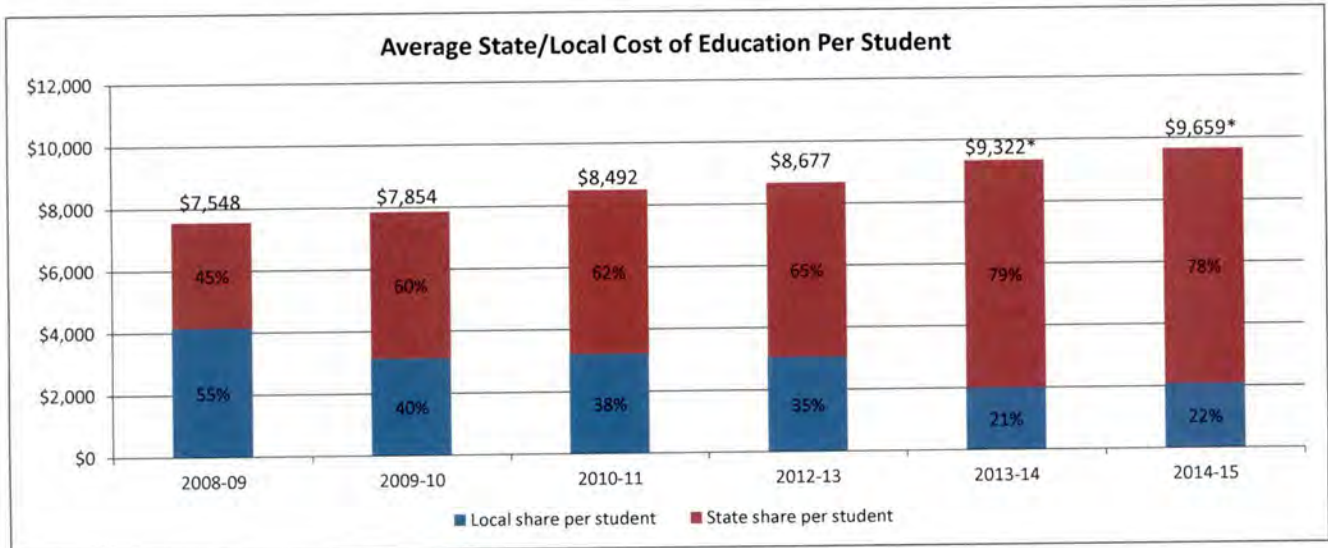
Let me start by saying that this is an education funding formula bill. It does not contain any money in it directly, meaning there is no appropriation in this bill. There is no transportation money or Federal money in this bill. Those are found in HB 1013, the DPI budget bill. There are no supplemental funding fixes or rapid enrollment numbers in this bill. Rapid enrollment will be addressed in the next bill on your docket today. I also want to stress that this bill is not a property tax relief bill per se, nor is it intended to be a comprehensive solution to the entire property tax issue. It addresses the property tax associated with levies by local school districts to fund their share of educating their students. That is not to say that if this bill is adopted as the new funding formula for K-12 education that property taxes would not be affected. If this is the new funding model, property taxes will be greatly reduced in most of the school districts across the state. Since schools are usually the entity that levies the largest number of mills of property tax, it would only make sense that the property owners in most school districts of the state will see some very nice reductions in their property tax bills going forward. The amount will vary from district to district, however.

I want to give you a little history of K-12 funding. Since the Constitution of the United States makes no mention of education anywhere in the text, the duty to fund and provide an adequate education as equitably as possible falls upon the state. I want to stress that equitable does not mean equal but rather is perhaps better defined as fair. The state of ND has provided a means for local school districts to raise some of their needed funds through local property taxes since the beginning of statehood. When the state was experiencing more lean times financially, the local property tax payers were asked to shoulder a bigger portion of the cost of educating our students. When some districts claimed the state was not living up to its Constitutional duty, they sued the state to provide a more equitable and adequate education funding formula with more coming from the state. A concerted effort was made to find a better formula with the state picking up a larger portion of the cost of educating our children. Of late, the state has been in the fortunate position to be able to pay a greater portion of the cost of education with general fund tax revenue. This has meant less dependency on local property taxes. The colored bar graph shows the impact of the present funding formula and the transition to this proposed new funding formula going forward. As you can see, the cost of educating a child has increased a little, but the shift of who pays the cost is moving dramatically to the state away from the property tax payer. I want to stress that the chart is very basic in that it doesn't include any Federal money, any local money raised for building funds or paying off bonded indebtedness, other special levies, nor does it include any transportation money. This is the core or basic educational needs only.

In summary I want to show you how some streamlining was done in this bill. Nineteen separate mill levies that total up to 12 mills are consolidated into one levy in this bill. This is done in Sec. 23 and are seen on a handout. I also want to express the need for an amendment we found necessary to make the calculations match our intentions and to correct some inadvertent issues in the bill. They address section 8, 10 and 12. If you have any general questions I'd be happy to answer them, but I also want to keep everyone on schedule. I can come back later if you need me. Otherwise, your chairman or other sponsors on your committee can probably answer a number of your questions, as well as I can.

AVERAGE STATE AND LOCAL COST PER STUDENT

	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15
Local sources						
Property tax	388,225,306	277,495,517	287,085,369	282,740,971	172,909,928	187,349,591
Other local revenue	61,941,875	61,310,938	60,873,110	61,720,053	61,720,053	61,920,272
Total local	450,167,181	338,806,455	347,958,479	344,461,024	234,629,982	249,269,863
Local %	55%	40%	38%	35%	21%	22%
State sources						
School aid	366,642,563	365,800,099	417,685,250	467,346,972	860,234,099	907,127,499
Mill levy reduction		143,874,552	153,968,245	169,262,949	0	0
Total state	366,642,563	509,674,651	571,653,495	636,609,921	860,234,099	907,127,499
State %	45%	60%	62%	65%	79%	78%
Total state/local sources						
Total state and local	816,809,744	848,481,106	919,611,974	981,070,945	1,094,864,081	1,156,397,362
Students						
Average daily membership	94,632	93,763	94,033	96,602	100,714	102,913
Estimated WSU	108,210	108,035	108,293	113,064	117,448	119,722



Ave. cost of education per WSU - Summary	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15
Local share per student	4,160	3,136	3,213	3,047	1,998	2,082
State share per student	3,388	4,718	5,279	5,631	7,324	7,577
Total state/local cost per student	7,548	7,854	8,492	8,677	9,322	9,659

* Average total state/local cost per student includes revenue from additional 10 mill local levy and 25% of other local revenue not considered in formula calculation.

SUMMARY OF SCHOOL DISTRICT TAXING AUTHORITY

Current Levy - Section	Purpose	Treatment in HB 1319
2-06-07	Municipal or regional airport authority	Maintained as a separate levy
4-33-11	Pest control	Maintained as a separate levy
15-1-09-49	Fargo building fund	Maintained as a separate levy
21-03-15	Bond sinking and interest	Maintained as a separate levy
32-12-1-14	Interest and principal payments on bonds issued to pay compromise of judgment for injury claim	Maintained as a separate levy
47-17-2-21	Tax for railroad purposes	Maintained as a separate levy
57-15-14.2(1)(a)	Board and lodging for high school students	Consolidated
57-15-14.2(1)(b)	Teachers' fund for retirement	Consolidated
57-15-14.2(1)(c)	Tuition for students in grades seven through twelve	Maintained as a separate levy
57-15-14.2(1)(d)	Special education	Consolidated
57-15-14.2(1)(e)	Establishment and maintenance of an insurance reserve fund	Consolidated
57-15-14.2(1)(f)	Final judgment	Consolidated
57-15-14.2(1)(g)	Contribution to the old-age survivors' fund and matching contribution for the social security fund	Consolidated
57-15-14.2(1)(h)	Rental or leasing of buildings, property, or classroom space	Consolidated
57-15-14.2(1)(i)	Unemployment compensation benefits	Consolidated
57-15-14.2(1)(j)	Asbestos removal or abatement and Americans with Disabilities Act and fire code remodeling	Consolidated
57-15-14.2(1)(k)	Cooperative career and technical education program participation	Consolidated
57-15-14.2(1)(l)	Maintenance of a cooperative career and technical education program	Consolidated
57-15-14.2(1)(m)	Purchasing, contracting, operating, and maintaining schoolbuses	Consolidated
57-15-14.2(1)(n)	Establishing and maintaining school library services	Consolidated
57-15-14.2(1)(o)	Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment	Consolidated
57-15-14.2(1)(p)	Establishing free public kindergartens	Consolidated
57-15-14.2(1)(q)	Establishing, maintaining, and conducting a public recreation system	Consolidated
57-15-14.2(1)(r)	District's share to finance an interdistrict cooperative agreement	Consolidated
57-15-14.5	Long-distance learning and educational technology levy	Consolidated
57-15-16	Building fund	Maintained as a separate levy
57-15-17.1	Abatement or removal of mercury and other hazardous substances	Consolidated
	Americans with Disabilities Act remodeling	
	State Fire Marshal required remodeling	
	Alternative education programs	
	HVAC repair, modification, or replacement	
57-15-19.01	Special reserve fund	Maintained as a separate levy

January 27, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 7, line 1, overstrike "**(Effective**"

Page 7, line 1, overstrike "**after June 30, 2015) Weighted**"

Page 7, overstrike lines 2 through 31

Page 8, overstrike lines 1 through 4

Page 8, line 5, overstrike "k."

Page 8, line 5, remove "0.082"

Page 8, line 5, overstrike "the number of students enrolled in average daily membership, in"

Page 8, overstrike lines 6 through 19

Page 8, line 20, overstrike "n."

Page 8, line 20, remove "0.003"

Page 8, line 20, overstrike "the number of students enrolled in average daily membership in each"

Page 8, overstrike lines 21 through 29

Page 9, overstrike lines 1 through 3

Page 9, line 4, overstrike "**(Effective July 1, 2013, through June 30, 2015)**"

Page 12, line 1, remove "in excess of two million dollars."

Page 13, line 6, replace "determine" with "calculate"

Page 13, replace lines 8 through 14 with:

- "a. Determining the district's 2012-13 distribution from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly;
- b. Subtracting from the amount determined under subdivision a. any amount received by the district in accordance with section 15.1-27-22.1, as it existed on June 30, 2013;
- c. Adding to the remainder, the district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
- d. Adding to the sum, an amount equal to the district's 2011 taxable valuation multiplied by the number of mills over fifty levied by the district for its general fund, high school tuition, and high school transportation, during the taxable year ending December 31, 2011, provided that the maximum number of mills utilized in this calculation may not exceed sixty; and

e. Dividing the sum by the district's weighted student units."

Renumber accordingly

House Bill 1319 Summary

Sections 1, 2 & 3: School Board Authority

- Clarifies that school board authority to levy mills is in accordance with Chapter 57-15.

Section 4 & 5: Fargo School Board Authority

- The Fargo school board may levy taxes within the requirements of title 15.1 and title 57.

Section 6: Fargo School Board Authority

- The Fargo school board may levy up to 15 mills for building, enlarging and repairing of schools.

Section 7: Special Levy for Kindergarten

- A half-day Kindergarten program, at a minimum, must be offered by every school district. The right to levy a special tax for kindergarten is discontinued.

Section 8: Special Education Weighting Factor

- The weighting factor for special education services is increased from 0.079 to 0.082.

Section 9: Per Weighted Student Payment Rate

- The per student payment rate is \$8,810 for the first year of the biennium and \$9,092 for the second year of the biennium. The total formula entitlement to which each district is entitled is determined by multiplying each district's weighted student units by the per student payment rate.

Section 10: State Aid – Determination

- State aid is determined by the following steps:
 - 1) Multiply the number of weighted student units by the per student payment rate for that year to determine the total formula entitlement for the school district;
 - 2) Subtract from this total formula entitlement an amount equal to fifty mills times the taxable valuation of the school district; and

- 3) Subtract from this result an amount equal to 75% of all outside income received by the school district from mineral income, tuition revenue, payments in lieu of taxes on electric power, revenue from mobile home taxes, revenue from federal land leases, telecommunications tax revenue, all other payments in lieu of taxes, and income from the state homestead tax credit program.

Section 11: Determining the Minimum Local Tax Contribution

- In the event the local school district's taxable valuation is lower than 40% of the statewide average taxable valuation per student, the formula will use an amount equal to 50 mills times the state average valuation per weighted student unit times the weighted student units in the district.

Section 12: Baseline Funding

- The superintendent of public instruction determines each school district's baseline funding per weighted student for the purpose of determining minimum and maximum state aid payments. It is determined by:
 - 1) Establishing all state aid distributed to the school district in 2012-2013 from the state school aid grants line;
 - 2) Adding funds distributed to the district in 2012-2013 from the mill levy reduction grants (up to 75 mills times 2011 valuation);
 - 3) Adding an amount equal to the product of mills levied over 50 mills (limited to 60 mills) times 2011 valuation;
 - 4) Dividing the result by the district's 2012-13 weighted student units.
- The superintendent shall ensure that the district's state school aid per weighted student unit is at least equal to 102% of the total baseline funding per weighted student unit in year one, and at least equal to 104% in year two.
- The superintendent shall also ensure that the district's state school aid in dollars for school year 2014-2015 is at least equal to 98% of the district's state school aid funding for the 2013-2014 year in dollars.
- The maximum state aid payable to a district per weighted student unit in year one may not exceed 110 percent of the total baseline funding per weighted student unit.
- The maximum state aid payable to a district per weighted student unit in year two may not exceed 120 percent of the total baseline funding per weighted student unit.

Section 13: Reorganization of School Districts

- Section language no longer needed for reorganized schools prior to 2007.

Section 14: Average Daily Membership (ADM) Calculation

- Removes outdated language that refers to 2009-2012 requirements in reference to calculating the ADM and required school days.

Section 15: Minimum Teacher Salary

- Increases the minimum teacher salary from \$22,500 to \$27,500.

Section 16: Property Tax Relief Fund

- Changes the name of the property tax relief sustainability fund to the property tax relief fund.
- The Property Tax Relief Fund is a source of funding to be used for state school aid payments.

Section 17: Tuition Levy

- Deletes an obsolete cross reference.

Section 18: Meals & Lodging Levy

- Removes the levy authority for the purpose of providing an allowance to the student for costs for meals, lodging, and transportation in the event the student is residing in a location other than the student's residence.

Section 19: School Construction Loans

- \$50 million from the coal development trust fund and \$200 million from the strategic investment and improvement fund is made available to school districts for a low interest loan for the purpose of building or expanding schools.
- Changes the eligibility terms for a school district to a simple test of taxable valuation per student without added imputed value.
- Removes reference to equity payment schools as the equity payment has been removed from the formula.
- For school districts with a taxable valuation that is equal to or less than 80% of the state's average taxable valuation per student:

- Increases the construction loan amount to twenty million dollars or 90% of the project cost;
 - Increases the interest rate buy down to 400 basis points below the prevailing tax-free bond rates.
- For school districts with a taxable valuation that is equal to at least 80%, but less than 90% of the state average taxable valuation per student:
 - Increases the construction loan amount to fifteen million dollars or 80% of the project cost;
 - Increases the interest rate buy down to 350 basis points below the prevailing tax-free bond rates.
- For school districts with a taxable valuation that is equal to at least 90% the state average taxable valuation per student:
 - Increases the construction loan amount to ten million dollars or 70% of the project cost;
 - Increases the interest rate buydown to 300 basis points below the prevailing tax-free bond rates.
- Because the superintendant has rule making authority under 28-32, redundant language regarding rule making is removed.
- If the applying school district receives oil and gas production dollars, the funds may be used to directly pay the bond and not count against the district's debt limit.

Section 20: Parks and Recreation Levy

- Eliminates the tax levy for the public recreation systems as part of school district levy authorities.

Section 21: Excess Levy Authorities

- Removes reference to the mill levy reduction grant program and retains excess levy authority under the new section.

Section 22: Voter Approval of Excess Levies

- Allows districts to retain excess levy authority for two years as established by past legislation.
- Provides for a school district to increase its education levy beyond 60 mills with a vote of the people. All excess levies must be confirmed by a vote of the people by December 31, 2015.

Section 23: Levy Authority of the School Board

- The board of a school district may levy the amount in dollars levied for the prior year plus twelve percent, up to sixty mills for education purposes.

- Specific levy authorities are removed and replaced with 12 mills of board authority for miscellaneous expenses.
- The special reserve fund levy is retained at 3 mills and the tuition levy is unchanged.
- The board of a school district may continue to levy for a building fund (see *Section 25*) and for the principal and interest on bonded debt.

Section 24: Long-Distance Learning and Educational Technology Levy

- The long-distance learning and educational technology levy is removed, and each school district shall transfer the amount remaining in the long-distance learning and educational technology fund to the general fund of the school district.

Section 25: Building Fund Tax

- The building fund may be used for construction, renovation, repair or expansion of district buildings and facilities. The fund may be also used for improvements, leasing of buildings and facilities. Removes authority to use the funds for payments for insurance premiums. Retains the 60 percent approval requirement.

Section 26: Discontinuation of Special Funds, Required Transfers

- With the discontinuation of the specific small levies, the balance from the funds associated with the levies must be transferred. On July 1, 2013, each school district shall transfer to its building fund or general fund the amount remaining from the following funds:
 - Mercury and hazardous substance abatement or removal fund, remodeling fund, alternative education program fund, heating, ventilation and air-conditioning upgrade fund.

Section 27: Determination of Levy

- Removes the reference to the school district's mill levy reduction grant.

Section 28: Special Reserve Fund

- Each school district may continue to establish a special reserve fund; however the balance of the moneys in the fund may not exceed the amount of funds that can be raised from levying the maximum number of mills for one year.

Section 29: Special Reserve Fund Transfers

- Annually, the school district shall transfer the amount that exceeds the authorized limit to the general fund.

Section 30: Special Reserve Fund – Levy Authority

- Clarifies that the board of the school district has sole authority over the Special Reserve Fund levy.

Section 31: Accountability Study

- During the 2013-14 interim, legislative management shall consider studying accountability in K-12 education to measure if recent actions by the legislative assembly have had measurable impacts in student achievement.
- The study should also examine high school curricular requirements and content standards to measure if high school students are prepared for college.

Section 32: Repeal

- Repeals sections: 15.1-27-07.1; 15.1-27-11; 15.1-27-22.1; 15.1-27-42; 15.1-27-43; 15.1-27-44; 15.1-32-20; 57-15-14.4; 57-19-04; 57-19-10; 57-64.

15.1-27-07.1. Kindergarten payments - Determination.

Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

15.1-27-11. Equity payments.

1. The superintendent of public instruction shall:
 - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
 - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
 - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
 - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
 - a. The district's general fund levy for the taxable year 2008; or
 - b. One hundred eighty-five mills.
4.
 - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
 - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
 - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
 - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
 - b. Any school district, which if included in the calculation would have an imputed

taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.

7. For purposes of this section:

a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:

(1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

(2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.

c. "Mineral revenue" includes all revenue from county sources 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.

d. "Tuition revenue" includes all revenue 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.

"Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

15.1-27-22.1. Distribution of remaining moneys.

If any money remains in the grants - state aid line item after the superintendent complies with all statutory payment obligations imposed for a biennium, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

15.1-27-42. Military installation school districts - Eligibility for state aid and equity payments.

If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

15.1-27-43. Reorganized district - Continuation of equity payment.

If a school district that received an equity payment under section 15.1-27-11 becomes part of a reorganized district after June 30, 2010, the newly reorganized district is entitled to receive, for a period of two years, an amount equal to the greater of:

1. The equity payment received by each of the school districts during the school year immediately preceding the reorganization; or
2. The equity payment to which the newly reorganized school district is entitled under section 15.1-27-11.

15.1-27-44. Dissolved district - Continuation of equity payment.

If a school district that received an equity payment under section 15.1-27-11 dissolves after June 30, 2009, any school district that receives a portion of the dissolved district's land is entitled to receive, for a period of two years, an amount equal to the greatest of:

1. That percentage of the dissolved school district's equity payment from the school year immediately preceding the dissolution which is the same as that percentage of the dissolved district's land which was attached to the receiving district;
2. The same equity payment to which the receiving school district was entitled in the school year immediately preceding the dissolution; or
3. The equity payment to which the receiving school district is entitled under section 15.1-27-11.

15.1-32-20. School district financing - Levy.

The board of a school district may budget an amount from the school district general fund for its special education program. With approval by a majority of the board, the school board may levy a tax pursuant to subdivision d of subsection 1 of section 57-15-14.2 for the purpose of carrying out a special education program, separately or jointly with other school districts.

57-15-14.4. School district mill levies for bonded indebtedness excepted.

The tax levy limitations provided for in sections 57-15-14 and 57-15-14.2 do not apply to taxes levied for the purpose of paying interest on a bonded debt of the district or levies made to pay and discharge the principal on a bonded debt at maturity.

57-19-04. May levy tax beyond levy limitations.

In each year each school district may levy a tax sufficient in amount to establish, maintain, or replenish such special reserve fund, but the levy may not exceed the amount produced by a levy of three mills on the taxable valuation of property in the school district. The levy is in addition to tax levy limitations otherwise specified by law.

57-19-10. Special reserve funds - Transfer of control.

Each county treasurer shall transfer control over school district reserve funds to local school boards and their business managers on March 24, 1997, or as soon thereafter as practical.

CHAPTER 57-64

MILL LEVY REDUCTION ALLOCATIONS AND GRANTS

57-64-01. Definitions.

For purposes of this chapter:

1. "Combined education mill rate" means the combined number of mills levied by a school district for the general fund, high school tuition, and high school transportation.
2. "Qualifying school district" means a school district that meets the conditions and requirements of this chapter to receive a mill levy reduction grant.

57-64-02. Mill levy reduction allocation and grant.

Each qualifying school district in the state is entitled to a mill levy reduction allocation and grant as provided in this chapter, subject to legislative appropriation to the superintendent of public instruction.

1. The mill levy reduction allocation rate for each qualifying school district is equal to the payments to the school district based on the per student payment rate as determined for the school year under chapter 15.1-27.
2. The grant to a qualifying school district may not exceed the smallest of:
 - a. The allocation determined under subsection 1;
 - b. The taxable valuation of property in the school district in the previous taxable year times the number of mills determined by subtracting one hundred mills from the combined education mill rate of the school district for taxable year 2008; or
 - c. The taxable valuation of property in the school district in the previous taxable year times seventy-five mills.
3. The grant to a qualifying school district may not be less than the grant to that school district in the preceding school year.
4. The grant to a qualifying school district may not exceed the grant to that school district in the preceding school year by a percentage that is more than the percentage increase in statewide taxable valuation which was determined for the previous taxable year.
5. For purposes of this section, "taxable valuation" means the valuation to which the mill rate is applied to determine the amount of ad valorem taxes or payments in lieu of taxes, and includes taxable valuation determined for agricultural, residential, and commercial property; gas company property, pipeline property, power company property, and railroad property assessed by the state board of equalization under chapter 57-06; mobile homes under chapter 57-55; land controlled by the game and fish department subject to valuation under chapter 57-02.1; land owned by the board of university and school lands or the state treasurer subject to valuation under chapter 57-02.3; national guard land subject to valuation under chapter 37-07.3; farmland or ranchland owned by nonprofit organizations for conservation purposes subject to valuation under section 10-06.1-10; land acquired by the state water commission for the Devils Lake project subject to valuation under chapter 61-02; a workforce safety and insurance building and associated real property subject to valuation under section 65-02-32; and carbon dioxide pipeline property subject to valuation under section 57-06-17.2. For purposes of this section, "taxable valuation" includes the taxable valuation of the homestead credit reimbursed by the state under section 57-02-08.2 and the disabled veterans' credit reimbursed by the state under section 57-02-08.8.
6. The superintendent of public instruction shall report to each qualifying school district by July fifteenth of each year the mill levy reduction grant in dollars available to that school district during the upcoming school year.
7. By December first, January first, February first, and March first of each school year, the superintendent of public instruction shall forward to each qualifying school district installments equal to twenty-five percent of the total mill levy reduction grant the district

is eligible to receive during that school year.

8. Allocations to a school district under this chapter are not considered per student payments or state aid for purposes of chapter 15.1-27.

9. For all purposes under law relating to allocation of funds among political subdivisions based on property tax levies, property taxes levied by a school district are the amount that would have been levied without the mill reduction grant provided to the school district under this chapter.

57-64-03. School district levy compliance.

1. To be eligible to receive a grant under this chapter, a qualifying school district must establish a spending level that does not result in a general fund mill rate exceeding one hundred ten mills. The certificate of levy form filed with the county auditor by a qualifying school district must reflect the revenue to be received by the school district under this chapter and that the general fund mill rate for the school district will not exceed one hundred ten mills unless:

- a. The district has approval of a majority of the electors of the school district for a higher levy;
- b. The higher levy is the result of a school district reorganization in compliance with chapter 15.1-12;
- c. The higher levy does not produce an amount in dollars exceeding the amount allowed under section 57-15-01.1 reduced by the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year; or
- d. The district has authority for a higher levy under subdivision b of subsection 2.

2. The authority under subdivision a or b of subsection 1 for a school district to levy a general fund mill rate exceeding one hundred ten mills applies for not more than ten taxable years at a time after taxable year 2008 unless a majority of the electors of the school district approve an extension of that authority. Approval by electors of extension of levy authority under subdivision a or b of subsection 1 is effective for not more than ten taxable years at a time. A ballot measure for approval by electors of extension of levy authority under subdivision a or b of subsection 1 is subject to the following:

- a. The ballot measure must specify the number of mills for the general fund mill rate for which approval is sought.
- b. If a ballot measure for approval of extension of levy authority under this subsection is not approved by a majority of the electors of the school district voting on the question, the school district general fund levy limitation for subsequent years is subject to the limitations as determined for the school district's budget year under section 57-15-01.1 or 57-15-14, whichever produces the higher levy limitation.

57-64-04. Levy reduction priority.

In setting mill rates for qualified school districts, the county auditor shall apply funds allocated to a school district under this chapter for mill levy reduction first to reduce the number of mills levied for general fund purposes and, if allocation funds remain after the general fund mill rate is reduced to zero, the balance must be applied to reduce the high school tuition levy and, if allocation funds remain after the high school tuition levy mill rate is reduced to zero, then to reduce the high school transportation levy of the qualified school district.

57-64-05. Property tax relief sustainability fund.

The property tax relief sustainability fund is a special fund in the state treasury. Moneys in the fund may be spent, pursuant to legislative appropriations, for property tax relief programs.

MY ACTUAL PROPERTY TAX EXPERIENCE by Wayne Papke, Mandan, ND

- What other tax is charged on something I paid \$170,000 for in 1995 with the full intent of living in it until my death that I now am paying \$4590 per year in property tax on. I don't care what the selling value is, I don't plan on selling. My tax now equals 2.7% of what I paid for 18 years ago and I pay it year after year.
- What other tax has a subjective abatement process where in 2012 I went to the city for a 2011 flood abatement and I was turned down by a 5 -0 vote with a stated reason that "They did not want to set a precedent for fear of a flood of people coming in requesting similar flood abatements". Then only to take this abatement to an appeal process at the county and get my abatement fully approved by the county by a 5 – 0 vote.
- What other tax can received "threats" from a city assessor that if I don't quit complaining about my assessment, that the assessor will raise my taxable value. This again was followed by an abatement being approved lowering my value after a long, time consuming abatement process where I had to get private assessments to prove my home was in the wrong building classification which resulted in my home receiving over a 10% reduction in taxable value.
- If I were a farmer today and I bought a big new combine 2 years ago, that combine costs more than my house, that combine has not been depreciating in value in this booming farm economy. Do we continue to tax that combine year after year at increasing appreciated values? Certainly not.
- What other tax enables me to throw a stone 50 yards and have it land on property where if my same home were located there, my tax would be 40% less because it is in a different county and I would be outside city limits – yet I would still receive full snow removal and garbage collection, police protection, schools, park access and all of the same services. About 1000 yards away where the city of Bismarck city limits start, I would pay 25% less and still be in city limits of a major city.
- Honorable Representatives, you must close the discretionary controls and random personality elements of property tax.

- Today we must lock property values at either today's values or the original purchases prices & you must cap taxation increases at or below inflation or CPI levels or a fixed cap increase of 2% or less.
- The inflation rates on city, school, park and county general fund expenditure budgets has gone through the roof and they are running at an average of 4% in my city and 8% in my schools over the last 5 years. This has been enabled by the loose property tax system, SB2199 Property tax relief 75 mill funding & property valuation increases as their stated excuse to the average citizen who does not understand the fund accounting general fund budget process in setting property taxes.
- Direct uncontrolled funding via SB2199 must stop. I personally sit on the Mandan Public schools finance committee and I saw the abuse of the 75 mill property tax relief bill which, as a result of the misuse, became the schools slush fund and "extraordinary" expenditure funding source.
- 2012, after having a fantastic business year, will be the first time I pay more in state income tax than property taxes since 1997. Now look at the services my state income tax buys vs. what my property tax buys. I would estimate that I receive 10x the value per dollar on my state income tax payment than I do my property tax payment.-
- In the first year that the 75 mill funding hit our local schools the Mandan schools general fund expenditure budget went up 11.7%. In that same year the Bismarck Public schools general fund expenditure budget went up 17.4%.
- The result was that very little of this "Property tax relief" as the bill was called ever relieved anything other than handing K-12 schools an open checkbook for this same 75 appropriation from the State.

- We need total Property tax reform all the way from the Assessment process, which I believe should be from the State level to controls on expenditures of “special funding” sources from the State which were intended as Property tax relief but were not structured as such to place restrictions on this appropriation that it ever got to the Property tax payer as very little of it ever did.
- In an effort to eliminate the personalities that do come to the surface in property tax disputes, I urge you to place all assessors in the state under the control of the State Tax Commissioner. During these boom years with the state receiving tax revenues and oil royalties higher than anyone ever thought possible, the Legislature has been sending more and more money back to local political subdivisions in the name of property tax relief. Through this process, while the state is supplying the money to those political subdivisions and replacing property tax revenues at those local levels, it just seem right to me that the state should accept the responsibility of making certain the property tax assessment process is clear and above board. I do believe placing all assessing activities under the full control of the State Tax Commissioner would do just that
- Thank you for your time and consideration of my life experiences on property tax in my residential setting.

Wayne Papke
1612 River Dr NE
Mandan, ND 58554
Telephone: 701-226-2739

Testimony on HB1319

Tuesday, February 5, 2013

Jon Martinson, Executive Director
North Dakota School Boards Association

Chairman Nathe, Chairman Skarphol and members of the committees, I am Jon Martinson with the North Dakota School Boards Association.

Over the past few years, the state has made progress in the areas of education equity and adequacy. The funding formula in previous foundation aid bills wasn't perfect and subsequent legislative sessions would fine-tune the formula upon hearing from knowledgeable educators and superintendents.

This bill contains new ideas, creative ideas, and a new way to calculate funding to schools. Property relief is foremost among the changes. Those of us in the coalition formed to successfully defeat Measure 2 are well aware that North Dakotans want property tax relief.

An individual expressed concern to me that property tax relief is temporary and that school boards can just raise their mill levy over the years and we will be right back in a similar situation.

However, that is not the case. School boards are limited to adding up to 10 mills (beyond the 50) for educational purposes and an additional 12 mills for miscellaneous.

This bill isn't perfect and there are many people here, including school superintendents, who are much more familiar with how their district is impacted by this bill than I am.

Their suggestions and concerns will make the bill a better one and will continue progress toward equity and adequacy given this new funding bill.

Thank you. I am happy to answer questions.



**TESTIMONY OF ARMAND TIBERIO,
NORTH DAKOTA EDUCATION ASSOCIATION
HB 1319
FEBRUARY 5, 2013**

Chairman Nathe and members of the House Education committee:

My name is Armand Tiberio. I am the Executive Director of the North Dakota Education Association (NDEA). I am here to support HB 1319.

The NDEA advocates for quality public schools to enhance student achievement. In order to ensure quality public education for students, adequate and equitable funding for schools needs to be provided to offer a diverse and challenging curriculum and the services that will prepare students for global opportunities. We have long advocated for seventy percent of this funding to come from the state, and due to the hard work of the Governor and the North Dakota Legislature, we have achieved this goal.

We applaud the sponsors of this bill for their work on teacher's salary. Just a few short years ago, our state was ranked fiftieth in the nation for teacher's pay. As a result of this state's dedication to recruiting and retaining quality educators, we are now ranked at 47th. As you can see, we do still have a ways to go. On page 16 of HB 1319, the salary minimum has been amended from \$22,500 to \$27,500. Although this is an increase of \$5,000, its impact is minimal. According to negotiated agreements of North Dakota teachers for the 2012-13 school year, the average base salary in this state is \$31,971. The current proposal to increase base salary will impact 9 school districts and around 100 teachers (I have attached a copy of these base salaries to my testimony for your information). If the Legislature's intent is to provide a meaningful floor for teacher salary in North Dakota that would attract high quality teachers to the profession, we believe that the base increase would need to impact at least half of the teachers in the state.

There has been a great deal of debate and concern about equitable funding for education in North Dakota. Currently base salaries in North Dakota range from \$25,450 to \$43,183—a range of \$17,733. Many assume that it is smaller districts that have lower base salaries; but that is no longer true. The changes in our regional economies have changed many assumptions, and we are now reaching a time when some basic living expenses will go beyond the means of many educators. That being said, we believe that collective bargaining is an important tool in this state for our members, and we do not believe that creating a more level playing field in teacher compensation endangers it. A steady base in which to work from ensures North Dakota salaries can meet the challenge of recruiting and retaining high quality teachers.

Although we know that today is just the beginning of the work to be done on education funding during this Legislative Session, NDEA believes that this budget is a step in the right direction. We are dedicated to working together with all stakeholders to make sure that every student in every district has great teachers.

Thank you, Chairman Nathe, and members of the committee for the opportunity to speak to you today. I am available to answer any questions you may have.

2012-2013 Salary Schedules Base Salaries Ranked

2012-2013 Fall Enrollments	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase	
					\$ Inc	% Inc
11,428	Bismarck	\$37,000	\$39,000	3	\$2,000	5.41%
10,903	Fargo	\$36,795	\$37,245	7	\$450	1.22%
7,969	West Fargo	\$32,234	\$32,766	32	\$532	1.65%
7,190	Minot	\$35,703	\$36,403	12	\$700	1.96%
7,013	Grand Forks	\$35,250	\$36,550	10	\$1,300	3.69%
3,321	Mandan	\$32,516	\$33,917	21	\$1,401	4.31%
2,842	Williston	\$30,000	\$31,500	46	\$1,500	5.00%
2,823	Dickinson	\$34,281	\$35,100	15	\$819	2.39%
2,113	Jamestown	\$33,176	\$34,837	17	\$1,661	5.01%
1,702	Belcourt	\$38,750	\$40,000	2	\$1,250	3.23%
1,639	Devils Lake	\$31,700	\$32,200	39	\$500	1.58%
1,107	Valley City	\$32,000	\$33,500	26	\$1,500	4.69%
863	Grafton	\$33,850	\$34,500	18	\$650	1.92%
778	Central Cass	\$30,500	\$30,750	56	\$250	0.82%
676	Kindred	\$34,200	\$35,000	16	\$800	2.34%
600	Bottineau	\$31,350	\$31,850	42	\$500	1.59%
597	Lisbon	\$34,000	\$34,000	20	\$0	0.00%
575	United (Des Lacs)	\$31,000	\$32,000	41	\$1,000	3.23%
560	Northern Cass (Hunter)	\$31,425	\$32,775	31	\$1,350	4.30%
543	Carrington	\$30,475	\$30,875	54	\$400	1.31%
504	Oakes	\$32,800	\$33,800	23	\$1,000	3.05%
499	May-Port CG	\$30,000	\$30,500	59	\$500	1.67%
463	Bowman County	\$30,800	\$32,800	30	\$2,000	6.49%
430	Thompson	\$29,400	\$31,000	52	\$1,600	5.44%
428	Hillsboro	\$36,000	\$37,300	5	\$1,300	3.61%
409	Park River	\$31,500	\$32,200	39	\$700	2.22%
407	Larimore	\$30,250	\$30,750	56	\$500	1.65%
396	Tioga	\$40,383	\$43,183	1	\$2,800	6.93%
388	Velva	\$32,344	\$33,674	24	\$1,330	4.11%
387	Surrey	\$31,600	\$32,900	29	\$1,300	4.11%
380	North Border (Walhalla)	\$27,000	\$31,500	46	\$4,500	16.67%
380	Saint John	\$35,000	\$35,000	16	\$0	0.00%
365	Kidder County (Steele)	\$28,500	\$29,500	68	\$1,000	3.51%

2012-2013 Fall Enrollments	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase	
				84	\$ Inc	% Inc
340	Divide County (Crosby)	\$38,000	\$39,000	3	\$1,000	2.63%
340	Towner-Granville-Upham	\$33,000	\$34,000	20	\$1,000	3.03%
339	Langdon Area	\$35,000	\$37,000	8	\$2,000	5.71%
322	Ellendale	\$31,500	\$32,000	41	\$500	1.59%
317	LaMoure	\$30,100	\$31,100	50	\$1,000	3.32%
306	Enderlin Area	\$30,400	\$31,000	52	\$600	1.97%
303	Linton	\$28,500	\$31,000	52	\$2,500	8.77%
281	Washburn	\$30,000	\$31,500	46	\$1,500	5.00%
275	Barnes County North	\$35,500	\$36,500	11	\$1,000	2.82%
275	Hankinson	\$36,052	\$37,604	4	\$1,552	4.30%
275	Nesson (Ray)	\$35,250	\$37,250	6	\$2,000	5.67%
273	Richardton-Taylor	\$28,250	\$30,000	65	\$1,750	6.19%
270	Glenburn	\$31,000	\$31,250	48	\$250	0.81%
268	Napoleon	\$30,200	\$32,100	40	\$1,900	6.29%
264	New 8 (Williston)	\$32,500	\$35,750	14	\$3,250	10.00%
264	Richland	\$25,450	\$25,450	84	\$0	0.00%
261	North Star (Cando, B-E)	\$31,850	\$33,600	25	\$1,750	5.49%
260	Minnewaukan	\$33,300	\$33,850	22	\$550	1.65%
254	Nedrose (Minot)	\$32,600	\$33,200	27	\$600	1.84%
248	Northwood	\$27,900	\$30,150	64	\$2,250	8.06%
239	South Heart	\$30,700	\$31,400	47	\$700	2.28%
235	Maple Valley	\$31,500	\$32,500	35	\$1,000	3.17%
234	Griggs County Central	\$29,000	\$30,000	65	\$1,000	3.45%
231	Central Valley (Buxton)	\$30,300	\$30,900	53	\$600	1.98%
229	Minto	\$31,700	\$32,600	34	\$900	2.84%
227	Belfield	\$30,000	\$30,875	54	\$875	2.92%
217	Edgeley	\$31,000	\$33,000	28	\$2,000	6.45%
217	Valley-Edinburg	\$30,450	\$31,550	45	\$1,100	3.61%
212	Mandaree	\$28,601	\$28,601	74	\$0	0.00%
212	Max	\$31,500	\$33,000	28	\$1,500	4.76%
212	Wyndmere	\$35,450	\$36,950	9	\$1,500	4.23%
211	Underwood	\$27,130	\$27,630	79	\$500	1.84%
205	Midway (Inkster)	\$29,700	\$30,300	62	\$600	2.02%
198	Flasher	\$27,500	\$28,050	77	\$550	2.00%
198	Wishek	\$30,500	\$31,500	46	\$1,000	3.28%

2012-2013 Fall Enrollments	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase	
				84	\$ Inc	% Inc
195	Lakota	\$29,750	\$30,400	60	\$650	2.18%
191	Eight Mile (Trenton)	\$28,700	\$28,700	73	\$0	0.00%
178	Ft. Yates	\$29,500	\$30,000	65	\$500	1.69%
177	Turtle Lake-Mercer	\$29,053	\$30,553	58	\$1,500	5.16%
176	Lidgerwood	\$29,000	\$30,850	55	\$1,850	6.38%
171	Hatton	\$27,000	\$28,500	75	\$1,500	5.56%
165	Solen	\$28,100	\$28,100	76	\$0	0.00%
164	Rolette	\$27,750	\$30,500	59	\$2,750	9.91%
157	Maddock	\$31,900	\$32,400	36	\$500	1.57%
157	Medina	\$30,250	\$31,500	46	\$1,250	4.13%
148	Strasburg	\$30,650	\$31,150	49	\$500	1.63%
146	Pingree-Buchanan	\$28,325	\$29,175	70	\$850	3.00%
143	Leeds	\$30,750	\$32,250	38	\$1,500	4.88%
139	Powers Lake	\$33,000	\$35,000	16	\$2,000	6.06%
138	Grenora	\$34,100	\$36,100	13	\$2,000	5.87%
136	Midkota	\$30,550	\$31,825	43	\$1,275	4.17%
135	Fessenden-Bowdon	\$29,750	\$30,250	63	\$500	1.68%
134	Elgin-New Leipzig	\$27,650	\$28,000	78	\$350	1.27%
133	Westhope	\$27,600	\$28,100	76	\$500	1.81%
132	Scranton	\$29,300	\$30,400	60	\$1,100	3.75%
131	Sawyer	\$27,250	\$28,000	78	\$750	2.75%
128	Ashley	\$28,500	\$30,000	65	\$1,500	5.26%
127	Manvel	\$31,941	\$32,740	33	\$799	2.50%
122	Alexander	\$28,381	\$32,381	37	\$4,000	14.09%
118	Burke Central (Lignite)	\$34,000	\$34,000	20	\$0	0.00%
112	Fairmount	\$32,500	\$35,000	16	\$2,500	7.69%
110	Litchville-Marion	\$28,800	\$30,350	61	\$1,550	5.38%
109	Montpelier	\$27,500	\$29,000	72	\$1,500	5.45%
109	Wing	\$25,700	\$26,000	83	\$300	1.17%
103	Roosevelt (Carson)	\$26,414	\$26,414	81	\$0	0.00%
93	Hope	\$30,700	\$31,700	44	\$1,000	3.26%
89	Hazelton-Moffit-Braddock	\$28,750	\$29,500	68	\$750	2.61%
89	Munich	\$33,500	\$35,000	16	\$1,500	4.48%
88	Page-Hope	\$30,700	\$31,700	44	\$1,000	3.26%
87	Gackle-Streeter	\$28,410	\$29,550	67	\$1,140	4.01%

2012-2013 Fall Enrollments	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase	
				84	\$ Inc	% Inc
86	Mapleton	\$29,500	\$29,500	68	\$0	0.00%
85	Saint Thomas	\$30,900	\$31,400	47	\$500	1.62%
78	Selfridge	\$29,800	\$30,000	65	\$200	0.67%
76	Emerado	\$29,248	\$29,686	66	\$438	1.50%
66	Starkweather	\$32,400	\$34,100	19	\$1,700	5.25%
62	Newburg United	\$27,300	\$29,200	69	\$1,900	6.96%
54	Edmore	\$30,200	\$30,700	57	\$500	1.66%
44	Halliday	\$28,500	\$29,000	72	\$500	1.75%
40	Twin Buttes (Halliday)	\$29,000	\$30,000	65	\$1,000	3.45%
40	Wolford	\$28,700	\$29,100	71	\$400	1.39%
33	Kensal	\$26,500	\$26,900	80	\$400	1.51%
33	Sterling	\$27,120	\$31,069	51	\$3,949	14.56%
29	Lone Tree (Golva)	\$25,500	\$26,250	82	\$750	2.94%
27	Adams	\$30,200	\$30,700	57	\$500	1.66%
	Column Averages	\$30,887	\$31,998		\$1,111	3.61%

Source: 2012-2013 Negotiated Agreements

2012-2013 Hiring Schedule Bases Ranked for Special Ed Units and Career/Tech Centers

Unit/Center	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase	
			4	\$ Inc	% Inc
Upper Valley Sp Ed (Grafton)	\$28,500	\$29,500	4	\$1,000	3.51%
Fort Totten Sp Ed	\$31,500	\$31,500	2	\$0	0.00%
Oliver-Mercer Sp Ed (Hazen)	\$32,998	\$32,998	1	\$0	0.00%
Wahpeton Sp Ed	\$30,000	\$30,000	3	\$0	0.00%
South Valley SpEd (Hankinson)	\$30,000	\$30,000	3	\$0	0.00%
Rough Rider Area CTC (Dickinson)	\$30,000	\$30,000	3	\$0	0.00%
Column Averages	\$30,500	\$30,666		\$167	0.55%

Source: 2012-2013 Negotiated Agreements

Testimony of Jon Godfread
Greater North Dakota Chamber of Commerce
HB 1319
February 5, 2013

Mr. Chairman and members of the committee, my name is Jon Godfread and I am here today representing the Greater North Dakota Chamber of Commerce, the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we stand in support of HB 1319.

To provide some background the Greater North Dakota Chamber was the primary association that led the charge in defeating Measure 2 in the last primary election. Measure 2 would have abolished property taxes in North Dakota. We closely understand property tax issues, the current mill levy reduction grant program and the concerns the citizens in our state have regarding property taxes. We were a part of numerous debates and conversations surrounding this topic. We heard from owners of all classes of property and relied heavily on our members to defeat that measure.

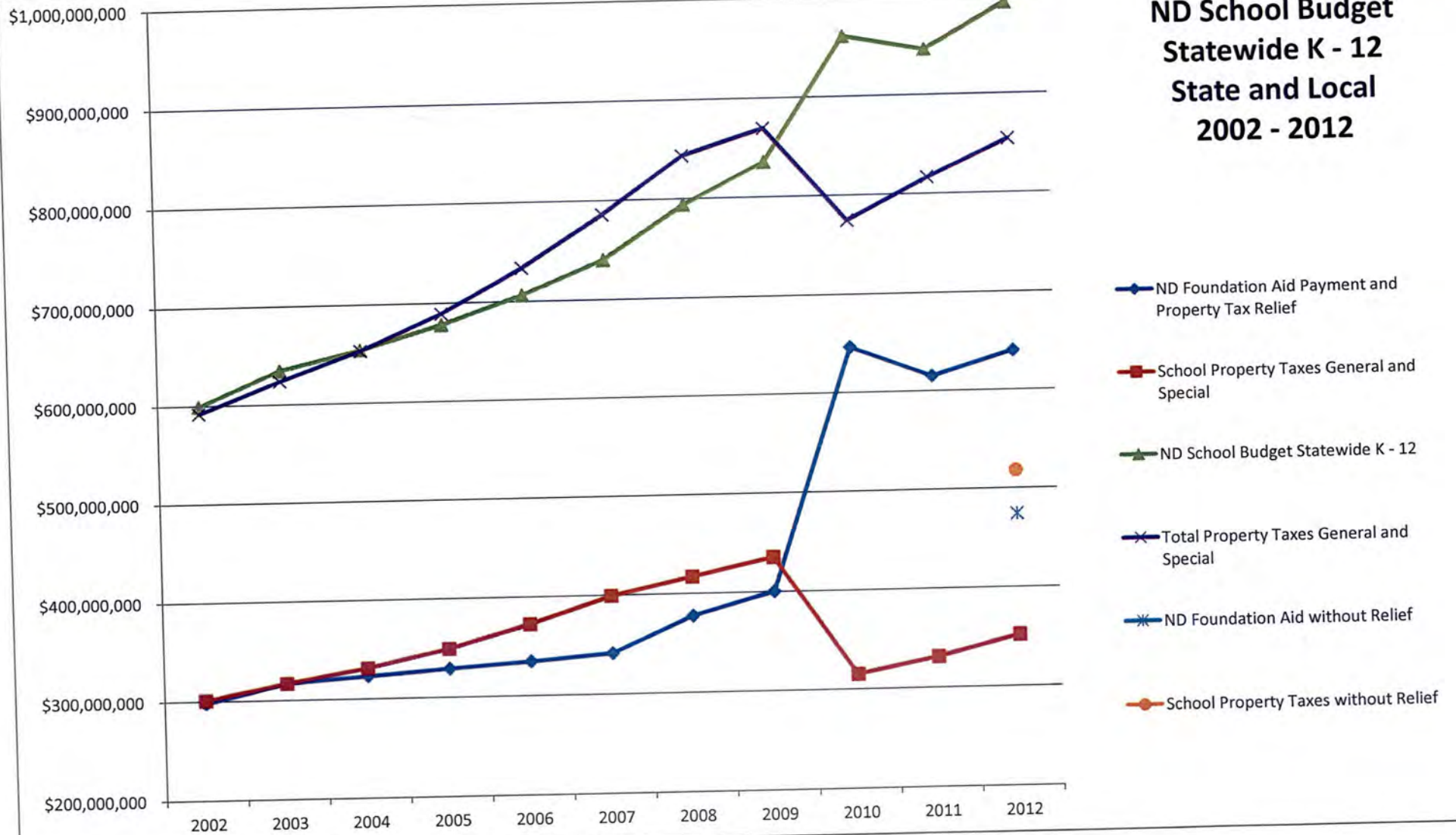
HB 1319 provides an unprecedented level of funding for education in the state of North Dakota. Shifting that funding from the local level to the state level has been a priority of this legislature in the last decade. With HB 1319, we are confident that goal has been met. We are comfortable with the level of funding offered by HB 1319, and also like that locals have some skin in the game, we feel that in order to control costs and create buy in for this program it is important for local school districts to have some level of budgetary responsibility.

There are other things, besides the historic level of education funding, we like about HB 1319. HB 1319 effectively replaces the Mill Levy Reduction Grant Program that has been in place since 2009. Thus, eliminating the automatic inflator of being tied to mills during a time of rising valuations, we feel this is a critical step in the right direction. Also, by reducing the necessity of local school districts to levy school taxes at a level above 60 mills, this program should reduce the property tax burden for owners of all classes of property. We have always felt that any discussion about property tax relief must include all classes of property.

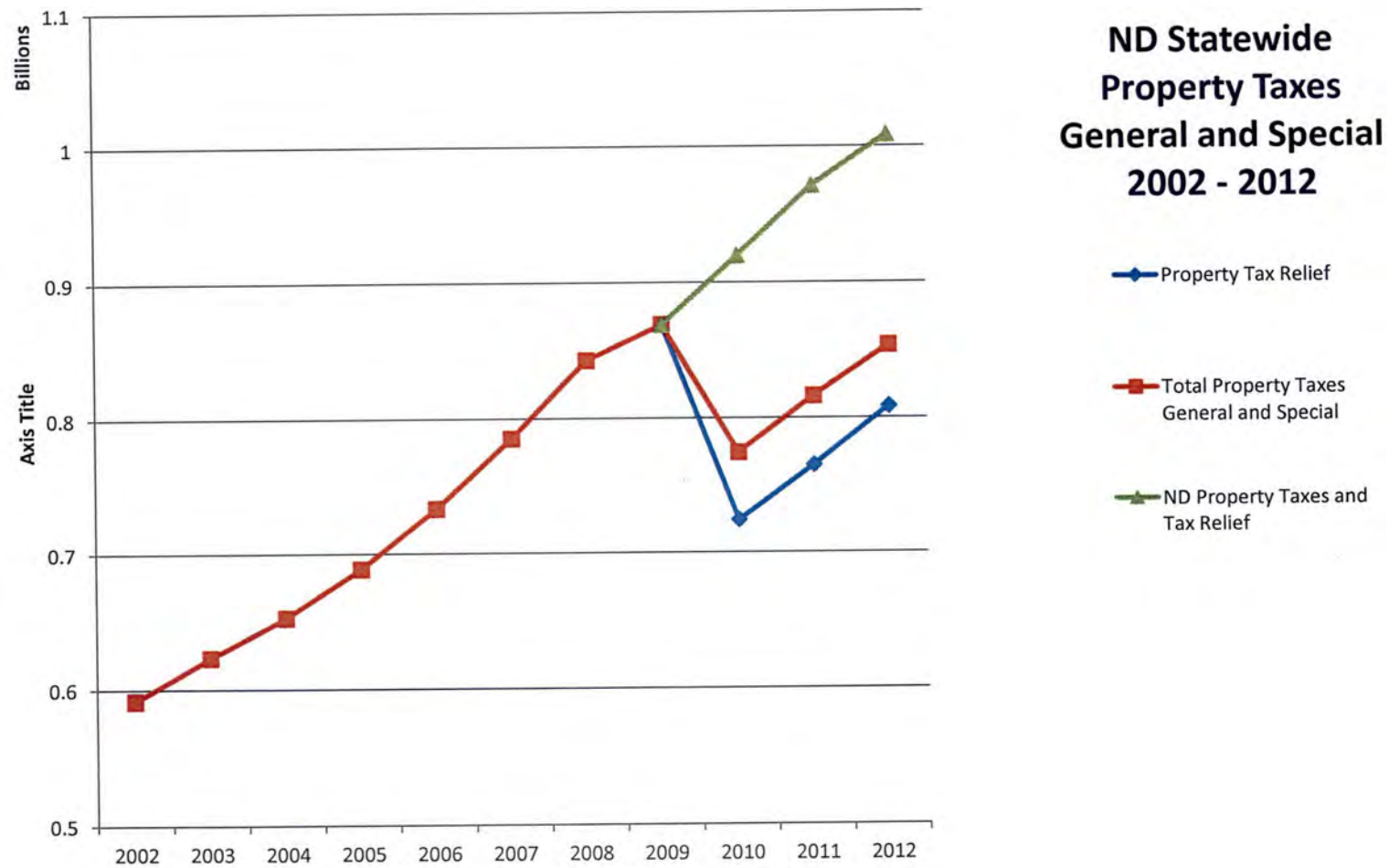
We feel HB 1319 more than adequately addresses the school funding portion of the property tax discussion and support passage of this bill. We are working on a package of property tax reforms and reductions and will continue to look for ways to reduce the necessity of other local subdivisions levying property taxes at a level that is burdensome to the property owners in our state. We encourage you to include HB 1319 in that conversation and to continue to work towards more transparency at the local level so our property owners truly know where money is going.

Again, we support a Do Pass on HB 1319, I would be happy to try and answer any questions.

ND School Budget Statewide K - 12 State and Local 2002 - 2012



ND Statewide Property Taxes General and Special 2002 - 2012



House Education Committee

Re: HB 1319 Education Commission

Date: February 5, 2013

The Honorable Mike Nathe
State Representative
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

The Honorable Robert J. Skarphol
State Representative
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

Chairman Nathe and Chairman Skarphol and Members of the House Education and House Education Appropriations Committees:

My name is Paul Stremick, Superintendent of the North Border School District. I am here to oppose HB 1319 in its current form.

I have always been a proponent of equity and adequacy for school funding. I have been involved in a lawsuit against the State of North Dakota, and I have served on the Governor's Commission on Education Improvement. It is my opinion that HB 1319 does not promote equity or adequacy for all schools in North Dakota. HB 1319 also discourages school consolidation, provides inequitable tax relief, and will hurt the educational system in many small schools by depriving them of the same educational opportunities they enjoy today.

HB 1319 is great for growing districts, but it will create a painful road ahead for any district with declining enrollment, large or small. According to DPI, 30-35% of the districts in North Dakota are still experiencing declining enrollment most of which are small schools. The new formula changes the rules for declining enrollment. Instead of losing approximately \$4,000 per student, the loss now increases to approximately \$9,000 per student with little to no means of making up the shortfall on the local side of the formula.

North Border is a consolidated district made up of three former school districts from Neche, Pembina and Walhalla. The school district operates three buildings with two elementary schools and two high schools which makes the district somewhat inefficient. However, compared to three elementary schools and three high schools prior to consolidation we are much more efficient. Due to building constraints we are unable to have any further consolidation of programs at this time. HB 1319 penalizes a district like North Border for being inefficient even though it consolidated by following the state guidelines and recommendations. The school size factor for North Border is a 1.02 which means we get 2% more funding based on our district size. Had we not consolidated, the separate school districts would receive a 1.25 factor which would mean an additional 23% in funding. The current formula allows the difference to be made up through the valuation of the consolidated district by levying up to 110 mills, which North Border does. So, why would schools consolidate if they lose funding and do not have the facilities to house all of the students in one location to create efficiencies? There is not a facility in Pembina County that can house all of North Border's students along with a district's existing enrollment, so the inefficiencies would persist in any further consolidation.

The new formula is student based which provides additional funding to districts with more students. It is my understanding that HB 1319 was created under the auspices of adequacy. North Border actually receives less per student funding under this formula. So I would assume we are offering a more than adequate education, and large districts are offering a less than adequate education. Maybe North Border is considered more than adequate because we only offer one band class (which is not orchestra), or maybe because we only offer only one foreign language which happens to be over ITV, or maybe it's because we pay our teachers less than surrounding districts.

I would like to share some numbers from the current funding formula. The numbers below illustrate the impact the formula has on a district when 50 mills are levied and enrollment is constant. I used 50 mills because I'm assuming the districts that are receiving millions in new funding will not levy the extra 10 mills to get them to the 60 mill educational cap.

	WSU	Current Funding	Proposed Funding	Increase	Per WSU
District A (Bismarck)	12,400	103,566,000	109,866,429	6,300,429	508
District B (West Fargo)	8,439	71,744,735	74,598,153	2,853,418	338
District C (North Border)	516	5,667,545	5,643,408	(24,137)	(47)
District D (Langdon Area)	422	4,013,822	4,092,470	78,648	186

If a district such as North Border has to levy more mills to be held harmless, than the tax relief to the patrons of North Border is less than what it will be in other districts that remain at the 50 mill minimum. It is my belief that the baseline calculation in the formula is flawed. It creates an imputed amount instead of using actual dollars available. That is why high valuation districts with lower levies end up with gains in the formula. The new formula has 95 districts on the transition minimum and 46 districts on the transition maximum which means less than 40 districts are actually on the formula. I would not consider that a viable formula.

HB 1319 creates a system of equal funding. Equality should not be considered synonymous with equity. Equality means treating everyone the same. Equity means treating everyone fairly.

I do not envy the task that lies in front of you. However, I am confident that you will do what is best for all of the children of North Dakota. Thank you for the opportunity to submit this testimony. I would be happy to answer any questions or provide more information if you would like.

Testimony on HB1319
By
Dr. M. Douglas Johnson, Executive Director—NDCEL

Chairman Nathe and Chairman Skarphol and members of the House Education and House Education Appropriations Committees, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to testify in on the strengths and weakness that the members of the NDCEL have found with the **HB1319**, a bill which is designed provide a funding formula which integrates property tax relief, equity and adequacy into the state's funding of K-12 public education.

The NDCEL welcomes additional state funding for K-12 education and has been a strong supporter of educational equity and adequacy when applying the formula. Over the past seven years our association has worked closely with the Commission on Education Improvement to develop a formula that would address both equity and adequacy in educational funding. The process we used to develop that formula was truly a joint effort and allowed the proposed formula to be vetted by our membership prior to it being acted upon by the legislature. The introduction of HB1319 however, proposes to completely change how the state would fund K-12 education and has not had the opportunity for the needed vetting by our membership and the legislators who will need to act on this bill.

HB1319, which was introduced just three weeks ago, had little instruction as to exactly how the ^{formula} would work. This left our members struggling to figure out just how the changes to the formula were being calculated and what financial impacts the new formula would have on their school districts' finances. It was not until Friday that they were given information on how the formula would work for the next two years of the biennium. Many of our superintendents who are here today have provided you with their interpretation of just exactly how they believe the proposed changes would have on their districts. I ask that you listen carefully to their testimony and give it just consideration as you debate the merits of this bill.

So, what are the strengths of this bill? First, it does provide permanent property tax relief as the Mill Levy ~~Red~~education Grant(s) (current 75 mills and proposed 50 mills) become part of the funding formula. Second, it dramatically increases the base per pupil payment that the state would

provide to schools – from \$3910 to \$8,810 the first year of the biennium and \$9,092 the second year of the biennium. Third, it provides \$200,000,000 for school construction loans and very favorable terms. Finally, it provides school districts with a new 12 mill levy which can be levied by a school board for “non-educational” purposes. I have included in my testimony a bulleted synopsis of HB1319 for you to use as you consider this bill. It is also available on the NDCEL website (www.ndcel.org). This synopsis will be updated as amendments are made to the bill as it progresses through the legislative process. Please feel free to use at your convenience and encourage your colleagues in the House to use it as well.

Now you need to know our concerns about HB1319. First, we believe the baseline calculation that is used for determining maximum (110% cap) and minimum (102% hold harmless) for school districts is flawed. Further, under the current bill it appears that these baseline maximums and minimums will not go into effect until the second year of the biennium as this is a totally new formula and the actual baseline would be established for each school district during the first year of the new formula. This would create a skewed financial results for determining which districts would be “off the formula” as either a capped district or a district eligible for a 102% hold harmless payment from their base year.

The primary funding sources for school districts for the 2012-13 school year are the State Foundation Aid Program, the 75-Mill Levy Reduction Grant and the district’s General Fund Property Tax levy. These amounts are the primary basis for the budget and spending for the State and Local portions of K-12 education. The provisions of HB 1319 take into account the State Foundation Aid Program and the 75-Mill Levy Reduction Grant, but do not consider the actual General Fund Mill Levy of districts. Instead, it uses an imputed computation of how much the district would receive under an assumed Additional 60-Mill Levy Reduction Grant. When establishing a baseline and hold-harmless provisions for a change in the funding formula, the system needs to be using the actual revenue for each district. Under the current model, the baseline represents essentially a fictitious number for each school district, which does not provide a clear picture of their current cost of education. This can result in an actual decrease in state funding, which negates the purpose of the hold-harmless provisions. It is our belief that a hold harmless provision should be based on the district 102% of a district’s 2012-13 Per Pupil Value (PPV) times the Weighted Student Units (WSU) for that year in determining the baseline for which the district

should be held harmless. This would give as true investment a district is making along with state funding to educate the students in an individual district.

A second concern is the amount of funding that the state is putting into the formula to get the state per pupil payment to average of \$9,000 per year for the next biennium. The bulk of the funding going into the formula is coming from the 135 mills of property tax buy down that will be paid for by the state. While this is a significant commitment to lower property taxes it does come at the expense of local school districts giving up a substantial number of mills which had previously under their local control. Should the amount of funding the state is putting into the formula be at par with the actual valuation for each school district it would be a significantly higher investment for the state. Under the current formula the districts are paid only at the state average for the previous year's taxable valuation. This limits many districts from capitalizing on the significant valuation increases they are currently experiencing. Further, once this formula is adopted the property tax valuation is no longer a part of the calculation for how much money the state will invest in the formula in the future. This would leave school districts and legislators in situation of determining how much money is needed to fund the formula during the biennium to come without some sort of baseline for determining just exactly how that amount should be determined. As a result, it is believed the formula is underfunded and additional funding needs to be added beyond what is currently proposed.

A third concern, is that the weighting factors need to be looked more closely to make sure they are being funded at the needed levels. When the amount of funding from the state is doubled, it doubles the amount of funding that would go to each weighting factor. This could provide a windfall from some weighting factors. A good example of this is the weighting factor for PowerSchool which was reduced to keep it in line with the actual costs of running PowerSchool. However, the weighing factor for Regional Education Associations (REAs) was not changed and they would receive a significant increase in funding for the next biennium. This may have been an oversight in the drafting of the HB1319 and if so, the committee needs to be aware of these issues and give the weighting factors careful consideration.

Finally, it should be known that the NDCEL has many members that will be impacted by this new funding formula in a positive way and a negative way. It should be noted that our members recognize HB1319 as the only funding formula bill for K-12 education being heard during this

legislative session. As a result, the NDCEL is taking a neutral position on this bill but believes that it is the only bill by which a funding formula can be developed and implemented for the coming biennium. We hope that both committees take to heart the testimony given by our members in testifying today as it considers this bill. Further, we hope the committee allows for the full vetting of any proposed formula by our membership before adopting any amendments to the bill. Finally, the NDCEL stands ready to assist both committees as they consider this bill in developing a formula that could work to develop a new formula which would be to the benefit of all school districts in our state.

Chairman Nathe, chairman Skarphol and members of the House Education and Appropriations Committees, this concludes my testimony. I will be happy to answer any questions that you may have at this time.

HB1319
January 28, 2013

SECTION 1. AMENDMENT

- Moves all levy authority to 57-15.
- Moves voter approved authority to levy tax to 57-15.

SECTION 2. AMENDMENT 15.1-09-40 Sharing of Levied taxes – Contract

- Removes applicable to property language and moves to 57-15.
 - *What is impact on districts – negative or positive?*

SECTION 3. AMENDMENT 15.1-09-47 Board of education city of Fargo – Taxing Authority

- Removes all references for Fargo to levy taxes and places their authority within title 15.1 and title 57
 - *Just repealing section may be easier.*

SECTION 4. AMENDMENT 15.1-09-48 Board of education city of Fargo – Tax Collection

- Perfects this section of law to coincide with title 15 and title 57 language
 - *Just repealing section may be easier.*

SECTION 5. AMENDMENT 15.1-09-49 Board of education city of Fargo – Taxes for buildings

- Perfects this section of law to coincide with language currently applicable to all districts
 - *Does change from “dollar valuation” of taxable property to “taxable valuation” move from true value to assessed value?*

SECTION 7. AMENDMENT 15.1-22-01 Kindergarten – Establishment by Board – Parent Request

- Drops levy for kindergarten
 - *Does anyone currently use this levy?*

SECTION 8. AMENDMENT 15.1-27-03.1 Weighted ADM determination after 9-30-2015

- Increases special ed weighting factor by .003 (.079 to .082 and adds testing for placement for purposes of identifying.
- Reduces Powerschool factor from .006 to .003 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Power school will go down.
 - *Powerschool factor reduced from .006 to .003 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Pschool will go down.*
 - *See D. King's blog: The weighted factor for PowerSchool in the formula has been reduced from the previous biennium, however the total funding level should remain consistent due to other changes in the bill.*

SECTION 9. AMENDMENT 15.1-27-04 Per Student Payment Rate

- Increases per pupil payment from \$3,910 to \$8,810 FY 2013-14 and to \$9,092 FY 2014-15.

SECTION 10. New Section to 15.1-27 State Aid Determination

- Multiply District Total WSU X \$8,810 FY2013-14 \$9,092 FY 2014-15
- Subtract from above total 50 mills X district's taxable valuation
- Subtract from above total 75% of all revenues from:
 - Mineral revenues in excess of \$2 million received under code 2000 of ND school dist reporting manual
 - Tuition revenue reported under code 1300 of ND school dist reporting manual except for ed programs at residential treatment facilities
 - In lieu of tax moneys from distribution/transmission of electricity
 - In lieu of tax moneys from electricity generated from sources other than coal
 - Revenue from mobile home taxes
 - Revenue received from leasing of land acquired by the US that allocates compensation to the state
 - Revenue from taxes from telecommunications
 - In lieu of taxes moneys from state reimbursement from homestead & disabled veterans credit
 - *Gives districts an additional break on first \$2million of 75% of mineral revenues-why not all get it?*

SECTION 11 . New Section to 15.1-27 State Aid Minimum Local Effort Determination

- Districts with state taxable valuation is > 40% state will use an amount equal to:
50mills X state Avg Eval Per Student X wsu of district

SECTION 12 . New Section to 15.1-27 Baseline Payment

- **Baseline Determination**
 - 1) District Taxable Valuation X General Fund Levy for 2008 taxable year less 50 mills
 - 2) Plus 2012-13 state aid received by district
 - 3) Less 2012-13 state aid received for
 - a) transportation aid
 - b) special education excess cost reimbursements
 - c) special education contracts
 - 4) Divide the remaining amount by the district's 2012-13 wsu
- **Baseline Payment – Minimum**
 - 2) a) total payment per wsu must = 102% of district's wsu for 2012-13
 - b) total payment per wsu must = 104% of district's wsu for 2013-14OR 98% if state aid paid to district in 2013-14
- **Baseline Payment –Maximum**
 - 3) a) 2012-13 does not exceed 110% if "baseline funding"
 - b) 2013-14 does not exceed 120% if "baseline funding" -

SECTION 13 . 15.1-27-17 Per Student Payments –Reorganization – Separate Wtng Factor

- Eliminates prior to June 30, 2007 reorganized schools language and assigns separate weighting factor to any district Reorganized after July 1, 2007.

SECTION 14 . 15.1-27-35 Average Daily Membership Calculation

- Removes current ADM calculation language dealing with 2009-10 and 2010-11 ADM and maintains ADM to be calculated at the conclusion of the school year.

SECTION 15. 15.1-27-39 Annual Salary – Minimum Amount

- Increases minimum teacher salary from \$22,500 to \$27,500 beginning 2014-15

SECTION 16 New Section 15.1-27-39 Property Tax Relief Fund

- Sets up method of payment from property tax relief fund to cover monthly distribution of the fund as part of the foundation aid payment to districts.

SECTION 17 15.1-29-15 Levy for Tuition payments

- Eliminates subdivision c of subsection 1 of 57-15-14.2 (levy for tuition for students grades 7-12) language and only refers to Section 57-15-14.2 of NDCC

SECTION 18 15.1-30-04 Provision of Meals/Lodging for HS Students - Levy

- Eliminates subdivision of subsection 1 of 57-15-14.2 (levy for meals and lodging for students grades 7-12) but still allows districts to pay a "reasonable allowance" for these costs.
 - *May be a problem for open enrollment*

SECTION 19 15.1-36-02 School Construction Loans

- Puts \$50 million from the coal development trust and \$200 million from strategic investments and improvements fund into the school construction loans fund
- Districts with imputed taxable value less than 80% of state average eligible for:
 - \$20million (was \$12million) amount of money available for construction loans at 450 basis points (was 250) below current tax free bond rates
- Districts with imputed taxable value = 80% but > than 90% of state average eligible for \$15 million (was \$10million) or 80% (was 70%) of actual cost for construction loans at 300 basis points (was 200) below current tax free bond rates
- Districts getting loans from oil and gas production tax previous fiscal year:
 - District must provide State Board of University and School Lands that the loan originated under section 57-51.

- If warrant paid off only by districts allocation from oil/gas tax it does not constitute a general obligation and is not considered debt
- If loan paid only by districts allocation of oil/gas tax load terms require state treasure to with hold 10% of tax allocation to repay principle
- Any evidence of indebtedness executed by board in this subsection is a negotiable instrument and not subject to taxation
- Defines "construction loans".

SECTION 20 **40-55-09 -07 Favorable vote election - Procedure**

- Drops language allowing school districts to levy an annual tax for the maintenance of public recreation system as provided in subdivision q of subsection 1 of 57-15-14.2 (establishing/maintaining public recreation system levy)
 - *Why take this out? Can schools use any of their tax \$for this under another section of law?*

SECTION 21 **57-15-01.1 Protection of taxpayers and taxing districts**

- Changes subsection 3)d and 3)e for determining dollar amount levied in base year:
 - 3)d. adds that it can't exceed funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be increased for base year
 - 3)e. adds that it can't be reduced funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be decreased

SECTION 22 **57-15-14 Voter approval of excess levies in school districts**

- Adds Section 1 to 57-15-14.2 – Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
- New Subsection (e) section 24 for the taxable years beginning 2012:
 - 1) Requires districts whose electors voted to a specific number of mills for taxable years that **includes** 2009 to reduce their levies by 135 mills as a pre-condition to receiving state aid.
 - 2) Requires districts that were approved by electors a levy of a specific number of mills for any time period that **does not** include taxable year 2009 to reduce their levies by 60 mills as a pre-condition to receiving state aid.
 - 3) After June 30, 2013 requires districts who wish to increase their levies by a vote of the electors to have the levy stated as "a specific number of mills of general fund authority and **must** include a statement that the statutory school district GF levy limitation is 60 mills on the taxable valuation.
 - *Removes Fargo language from law and appears to remove 12% increase in dollars from previous year's revenue generated by levy. 12% increase to dollars from previous year needs to stay. There could be considerable problems with this: for those districts in subsection to 1(135 mill). Will their loss in local income be made up by the amount of \$ going into the PPP?*

SECTION 23 **Amends 57-15-14.2 Mill levies requiring board action to: School district levies**

- Eliminates all levies requiring board action and replaces it with the following:
- Sets maximum levy at 60 mills for "any purpose related to provision of educational purposes". *What is definition of educational purposes?*
- Sets a maximum levy of 12 mills by a school board for "non-educational purposes including transportation, extra-curricular activities and must deposited in a special "miscellaneous fund" and may not be transferred to any other fund
- A board may levy no more than 3 mills for deposit into a special reserve fund.
- Board may levy "no more than the number of mills necessary" for HS tuition and the funds must be deposited in a special "tuition fund".
- Boards are not limited from levying for
 - building fund NDCC 15.1-09-49 and 547-15-16;
 - paying on principal and interest on bonded indebtedness.
 - *Total mills a district would have at its disposal without a vote of electorate would be:*

60 mills general fund
12 mills miscellaneous fund for non-educational purposes
 72 mills
 + XX HS tuition mills

- SECTION 24** **57-15-14.5 Long-distance learning and educational technology levy**
- Removes long distance learning and technology levy as of July 1, 2013 and requires the transfer of any balance of these funds remaining a school district's general fund.
 - *Need to run the numbers on what school districts would gain or lose by the 12 mills for miscellaneous non-educational funds*
- SECTION 25** **57-15-17 Disposition of building fund tax**
- Allows fund to be used for:
 - Construction of school district buildings and facilities.
 - Renovation, repair, or expansion of school district buildings and
 - Improvements to school districts buildings, facilities, and real property;
 - Leasing of buildings and facilities.
 - *This change removes language with regard to include "parking lots, athletic complexes, or any other real property owned by the district." Does the new language include or exclude these areas by listing "facilities and real property"? May need a definition section or some clarification*
- SECTION 29** **57-15-17 Discontinuation of special funds Required**
- Eliminates all special funds and transfers the money from these funds to the school district's GF by July 1, 2013. Includes: hazardous materials fund; ADA remodeling fund; alternative education fire marshal compliance fund; and HAVC fund
 - *What will replace the funds for these school improvements?*
- SECTION 27** **57-15-31 Determination of Levy**
- Eliminates MLRG reporting requirement by DPI superintendent
- SECTION 28** **57-19-01 Schools District may establish special reserve fund**
- Requires that the balance of money in the fund may not exceed that which could be produced by the maximum ~~mill~~-levy number of mills allowed by law for that year.
- SECTION 29** **57-19-02 Special reserve fund - separate trust fund**
- Removes requirement that school board establishes a separate special reserve fund, and requires that the board transfer all income and interest into the earned by the principal in to the general fund. On July 1, 2013 the board must transfer the special reserve fund to its GF any amount that exceeds the limitations in this section.
- SECTION 30** **57-19-02 When fund may be transferred**
- Removes requirement that a special reserve fund can be removed by a 60% vote and removes the building fund (can only go to GF) as a place that to which funds may be transferred.
 - Also removes the section for discontinuance of special reserve fund to decrease tax levies by no more than 20%
- SECTION 31** **Legislative Management Study - Accountability**
- Requires legislative management to study accountability in K-12 education including:
 - A review of the historical bases for funding,
 - Examining ND student performance ion national assessments to determine if recent legislation have had measurable improvement in student achievement, and
 - If high school curriculum requirements and content standards are adequately preparing students for first year in higher ed.
- SECTION 32** **REPEALS Sections 15.1-27-07.1, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 20, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04, and 57-19-10 and chapter 57-64 of 21 the North Dakota Century Code.**

Chairman Nathe, members of the House Education Committee, my name is Tom Nitschke and I am the superintendent of the Kulm School District.

Kulm with 110 ADM this school year is expected to be as efficient as a school with 185 students (both have the same weighting factor of 1.25). The total cost to run a school with 185 students is similar to one with 110 students. Most schools under 200 are bare bones (one section of each elementary class, one math teacher, one Science teacher, etc.) In the past, our large valuation has helped us...under HB 1319, we really only have help from 10 mils, it doesn't help much. I like the new plan since it provides property tax relief, but the school size weighting factor has to increase for schools with under 185 students. As you can see on the attached spread sheet, the current weighted factor begins with schools having 899 students and adds .01 percent as enrollments decrease. This continues until 185 students. The formula recognizes it is more expensive to educate students in smaller schools but yet it stops at 185. It simply isn't feasible to think once you get smaller than 185 students it isn't more expensive. This tells me there is a belief that schools under 185 students should not be open. That is ludicrous. We need to increase the weighted formula for schools under 185 students.

Do we value rural schools?

1. Kulm has been identified as a small but necessary school by definition. We have over 500 sq miles in our district. We have 4 bus routes that travel approximately 540 miles per day. We have students riding 1 hour 15 minutes per trip (over 2 hours per day on the bus.) If Kulm closed that would increase dramatically. If Kulm and Ashley (about the same size as Kulm) closed it would be nearly impossible for some families to attend school.
2. Yes oil is important, but agriculture is still the life blood of ND. Many industries in the large cities rely on agriculture. A healthy rural ND is still good for ND in general. If we close many more rural schools, we will see a decline in rural ND. Agriculture will become corporate farming.
3. I understand from a pure fiscal standpoint small schools such as Kulm are not efficient. Small schools do provide an EXCELENT education and are simply needed to keep ND strong!

Thank you,
Tom Nitschke
Kulm School Superintendent

Current Law (school district size weighted factor)
ref. ND Centry Code 15.1-27-03.2

Number of students	Weighted factor
Less than 185	1.25
185-200	1.24
200-214	1.23
215 - 229	1.22
230 -244	1.21
245-259	1.2
260-269	1.19
270-274	1.18
275-279	1.17
280-284	1.16
285-289	1.15
290-294	1.14
295-299	1.13
300-304	1.12
305-310	1.11
311-320	1.1
321-335	1.09
335-349	1.08
350-359	1.07
360-369	1.06
370-379	1.05
380-389	1.04
390- 399	1.03
401-599	1.02
600 - 899	1.01

Proposed school district size weighted factor

Number of students	Weighted factor
100-104	1.39
105-109	1.38
110-114	1.37
115-119	1.36
120-124	1.35
125-129	1.34
130-134	1.33
135-139	1.32
140-144	1.31
145-149	1.3
150-154	1.29
155-159	1.28
160-164	1.27
165-174	1.26
175-184	1.25
185-200	1.24
200-214	1.23
215 - 229	1.22
230 -244	1.21
245-259	1.2
260-269	1.19
270-274	1.18
275-279	1.17
280-284	1.16
285-289	1.15
290-294	1.14
295-299	1.13
300-304	1.12
305-310	1.11
311-320	1.1
321-335	1.09
335-349	1.08
350-359	1.07
360-369	1.06
370-379	1.05
380-389	1.04
390- 399	1.03
401-599	1.02
600 - 899	1.01

CHAIRMAN NATHE, CHAIRMAN SKARPHOL AND COMMITTEE MEMBERS

FOR THE RECORD MY NAME IS ROBERT TOLLEFSON, EXECUTIVE DIRECTOR OF NORTH DAKOTA SMALL ORGANIZED SCHOOLS.

AS EXECUTIVE DIRECTOR, I REPRESENT 119 OF THE 179 SCHOOL DISTRICTS IN THE STATE. NDSOS MEMBER SCHOOLS COMPRISE 66.5% OF THE SCHOOLS.

HB 1319 IN OUR INTERPRETATION REPRESENTS AN EFFORT TO ADDRESS TWO IMPORTANT GOALS:

1. PROVIDE INCREASED STATE FINANCIAL SUPPORT FOR K-12 EDUCATION WHICH WILL ASSIST IN PROVIDING A QUALITY EDUCATION.
2. PROVIDE PROPERTY TAX RELIEF FOR TAX PAYERS THROUGHOUT OUR STATE WHO HAVE CONTINUED TO PROVIDE FINANCIAL SUPPORT FOR VARIOUS LOCAL SERVICES OVER A NUMBER OF YEARS.

WHILE BOTH GOALS ARE ADMIRABLE, WE HOPE THAT THE DRIVING FORCE FOR THIS BILL IS FOUNDED ON OUR NUMBER ONE GOAL.

NORTH DAKOTA IS INDEED FORTUNATE TO WITNESS A POSITIVE ECONOMIC CLIMATE CURRENTLY AND ALL INDICATIONS ARE THAT THE FUTURE FORECAST APPEARS POSITIVE AS WELL. THIS HAS ALLOWED OUR STATE AND ITS LEADERS TO LOOK AT ASSUMING MORE RESPONSIBILITY FOR THE STATE IN FUNDING OF EDUCATION FOR NOW AND HOPEFULLY IN THE FUTURE.

PAST LEGISLATIVE ACTIONS HAVE INITIATED THE PROCESS FOR ADDRESSING THE TWO PREVIOUSLY LISTED GOALS, BUT HB 1319 TAKES A MASSIVE STEP IN ADDRESSING THEM.

SCHOOL DISTRICTS ARE COMPRISED OF PROPERTY (DETERMINED IN SQUARE MILES) WEALTH OF DISTRICTS (TAXABLE VALUATION) AND STUDENTS (NUMBERS OF).

THESE ITEMS COMPRISED IN EACH SCHOOL DISTRICT VARY GREATLY AND IN ORDER TO ADDRESS OUR TWO GOALS LISTED ABOVE, THE BILL PROVIDES A NUMBER OF SPECIFIC PARAMETERS WHICH ARE DEVELOPED TO FIT NEATLY INTO A FORMULA WHICH WILL PRODUCE A PRODUCT WHICH WE REFER TO AS THE STATE EDUCATION PAYMENT.

NDSOS IS CONCERNED THAT WHEN APPLYING THE SPECIFIC PARAMETERS, THERE ARE AREAS WHICH CREATE INEQUITIES RATHER THAN TO SOLVE THEM.

NDSOS BELIEVES THAT WHEN MAKING A MAJOR FUNDING CHANGE, WITH RESPECT TO THE DOLLARS PLACING INTO THE NEW FORMULA, THE FOLLOWING MUST BE CONSIDERED AND STRIVED TO ATTAIN:

1.) ALL SCHOOLS SHOULD NOT LOOSE DOLLARS

IF ONE WERE TO STEP BACK AND SUMMARIZE THE PLAN, WHICH MANY HAVE, IT CAN BE SAFE TO SUMMIZE THAT SCHOOL DISTRICTS WHICH ARE PROPERTY WEALTHY (A NUMBER OF SMALL SCHOOL DISTRICTS) WITH LOW ENROLLMENTS (ESPECIALLY DECLINING ONES) WILL BE NEGATIVELY IMPACTED. SMALL SCHOOLS ARE NOT THE ONLY ONES WHO FALL INTO THIS CATERGORY BUT WHEN COMPLETING THE FORMULA, IT LEANS IN THAT DIRECTION.

2.) INCREASING THE LEVEL OF WEIGHTED STUDENT UNITS

THE COST OF EDUCATION IS NOT EQUAL FOR ALL SCHOOLS AND MANY VARIABLES PLAY A PART IN DETERMINING THAT COST. **ND CENTURY CODE 15.1-27-03.2 ENTITLED WEIGHTED STUDENT UNITS** HAS BEEN AROUND SINCE THE 60'S WITH THE INTENT TO SUPPORT SCHOOLS IN AN EQUITY FASHION BASED ON OUR FINANCIAL REQUIREMENTS TO EDUCATE A CHILD. THERE ARE 26 DIFFERENT WEIGHTED UNITS LISTED BASED ON THE NUMBERS OF STUDENTS. OVER TIME, THE UNITS HAVE BEEN REDUCED SO THAT THE DIFFERENCE BETWEEN THE LARGEST POPULATED SCHOOLS IN THE STATE AND THE SMALLEST POPULATED SCHOOLS HAVE NARROWED CREATING A LOSS OF SUPPORT FOR EACH OF THE LEVELS. THE WEIGHTED STUDENT UNITS RANGE FROM A HIGH OF 1.25 FOR STUDENT MEMBERSHP NUMBERS OF 185 OR LESS TO THE

LOWEST OF 1.00 FOR STUDENT MEMBERSHIP NUMBERS OF 900 OR MORE.

NDSOS IS NOT ESPOUSING TO PAY FOR LOST STUDENTS FOR AN EXTENDED PERIOD OF YEARS, BUT TRANSITIONING A SCHOOL THAT MAY BE FACED WITH LOW ENROLLMENTS OR EVEN DECLINING ONES WOULD ASSIST THE SCHOOL FOR PLANNING AND PREPARATION PURPOSES.

THERE MAY BE A NUMBER OF SCHOOLS THAT DON'T FIT INTO THE NEW FUNDING FORMULA AND THIS ADJUSTMENT WOULD PROVIDE THE PROPER LEVELS NOW AND IN THE FUTURE.

3.) WHEN MAKING MAJOR CHANGES IN A FUNDING PLAN, THE MAJORITY OF THE SCHOOLS MUST FIT INTO THE FORMULA.

THE INDIVIDUAL SCHOOL DISTRICTS HAVE BEEN TRYING TO DETERMINE WHAT THEIR PAYMENT UNDER THE NEW FORMULA WILL BE FOR THE NEXT TWO YEARS. THURSDAY OF THIS PAST WEEK EACH DISTRICT WAS SENT AN E-MAIL FROM KAELE EFFERTZ WITH THE PROPOSED PAYMENT FOR THEIR INDIVIDUAL DISTRICT. I NOTED ON MY PRINTOUT THAT THE FORECAST FOR MY SCHOOL HAD INCLUDED THE 50 MILLS PLUS THE 10 ADDITIONAL MILLS. ON FRIDAY JERRY COLEMAN, DEPARTMENT OF PUBLIC INSTRUCTION FINANCE DIRECTOR, SENT OUT HIS WORKSHEETS FOR THE 2013-14 AND 2014-15 PROJECTED PAYMENTS FOR EACH DISTRICT. THE TWO FIGURES WERE DIFFERENT FROM ONE ANOTHER AND AS SUCH, CREATES ADDITIONAL CONCERNS.

IF WE ARE EXPERIENCING MORE "HOLD HARMLESS" SCHOOLS ON THE FORMULA, WE BELIEVE THAT WE ARE STARTING OUT ON THE WRONG FOOT. I WILL SAY THAT I CAN'T DEFINITELY STATE THAT, THAT IS THE CASE AS I DON'T KNOW WHAT EVERYONE'S NUMBERS CAME TO. BUT THERE IS A GREAT DEAL OF CONCERN REGARDING THE TRUE IMPACT OF THE BILL FOR THIS BIENNIUM AND THE FUTURE.

4.) THERE NEEDS TO BE AUTHORITY TO RAISE DOLLARS LOCALLY

IN THE PLAN IT HAS BEEN STATED THAT THE MILL BUY DOWNS OR STATE REPLACEMENT OF TAX DOLLARS WOULD GO TO THE 50 MILL LEVEL WHICH SHOULD BE EXPECTED FOR LOCAL SUPPORT WITH THE OPPORTUNITY FOR THE BOARD TO INCREASE 10 MILLS BY BOARD ACTION.

SOME DISTRICTS RECEIVED PRINTOUTS WITH THE 60 MILLS ALREADY FIGURED IN WHICH DOES NOT ALLOW BOARDS TO MAKE THAT DETERMINATION. PERHAPS THIS WAS A WAY TO MAKE THE PLAN MORE PALATABLE TO THOSE DISTRICTS NOT FITTING IN THE FORMULA. WE CAN'T SUPPORT A PLAN WHICH WE CAN'T EXPLAIN HOW IT ALL FITS. WE BELIEVE THAT THERE WILL BE SOME VARIANCES AS THERE SIMPLY CAN BE A FORMULA WHICH COULD BE A CURE-ALL, HOWEVER WE BELIEVE THAT WITH TWEAKING WE WOULD BE BETTER SERVED THROUGHOUT THE STATE.

SCHOOL DISTRICTS THAT ARE LISTED AS A 102% HOLD HARMLESS HAVE FINANCIAL COMMITMENTS ALREADY IN PLACE WITH INCREASES IN BENEFITS. THOSE DISTRICTS THAT WILL GET 110% AND CAPPED ON THE TOP END WILL NEED TO ADDRESS SALARIES REGARDING THOSE INCREASES AND ULTIMATELY, THAT WILL POTENTIALLY INCREASE THE DIFFERENCE IN LEVELS OF PAY FOR EMPLOYEES BETWEEN SCHOOLS.

A 12 % INCREASE FROM THE PREVIOUS YEARS GENERAL FUND DOLLARS SHOULD BE AVAIALE IF NOT INCREASED. WITH THE COMBINATION OF THE BUY DOWN AND THE FEWER DOLLARS ALLOWED TO BE LEVIED LOCALLY, THE AMOUNT OF DOLLARS TO GENERATE LOCALLY WILL BE DRASTICALLY REDUCED.

NDSOS STAND ON THE BILL IS NOT SUPPORTIVE OR IN OPPOSITION – WE WOULD BE BEST DESCRIBED AS NEUTRAL WITH A WILLINGNESS TO ASSIST WITH OTHER PARTIES TO STRIVE TOWARDS SOLUTIONS WHICH MAY BENEFIT ALL SCHOOLS WITH REGARDS TO THIS FUNDING PLAN.

I BELIEVE THAT EVERYONE UNDERSTANDS AND SUPPORTS THE TWO GOALS, HOWEVER, THE PARAMETERS WHICH DRIVE THE FORMULA MAY STILL BE FUZZY AND WITHOUT A CLEAR PICTURE MEMBERS ARE NOT WILLING TO EMBRACE THIS PLAN.

I WISH TO THANK YOU FOR YOUR TIME AND CONSIDERATION IN THIS MATTER.

I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS,

Testimony for HB1319

Chairman Nathe, Chairman ~~Delzer~~ ^{Skaggs} and members of the House Education Committee and House Appropriations Committee, my name is Brandt Dick and I am the Superintendent of Hazelton-Moffit-Braddock and Underwood School Districts. I see some challenges with the new funding formula for small-rural school districts. In information that was emailed from Jerry Coleman, the challenge will be great for HMB School District this next two years.

In comparing 2013-2014 projections to this current year, we are projected to see about a \$50,000 revenue increase in figuring local and state money. This is after we are budgeted to deficit spend this school year by about \$100,000. The 2014-2015 projections from Mr. Coleman shows a decrease of \$17,000 from 2013-14. Somehow we would need to negotiate with teachers when this is our reality at HMB, and try to keep teachers at HMB when they would be faced with a pay cut when factoring in another 2% increase in TFFR contributions and increase in health insurance premiums.

The main reason for this is due to low enrollment numbers. We have over 500 square miles, so to further consolidate our school district would be a great challenge. The baseline of this formula is based on the first MLRG of which we did not receive the full 75 mills, only getting 60 mills. The other part of the baseline is based upon a buydown from last year mills to 50. At HMB, that accounted for 56 of the possible 60. So our baseline is 19 mills less than the full 135 mills. Question that I have is why is the baseline not based upon 135 mills as was written in the original testimony presented to the House Appropriations Committee? The way the baseline is calculated, it provides a different amount of mills for almost every school district in the state, is this equity?

Another challenge is the 12% cap. For many years school districts were given the authority to levy an addition 18%. This was reduced to 12%. 12% of 185 mills of local taxing authority is much different than 12% of 110 mills and further reduction to 12% of 72 mills. For those districts that have a need to generate more revenue, what options will we have?

The final challenge is in looking at the weighting factors to determine WSU. Right now the weighting factors are the same for 185 students down to 100, a weighting factor of 1.25. In reality, to run a school with 185 students a district has very similar inputs as does a school of 100, one math teacher, one science teacher, one English teacher, etc. Yet, based on the new formula the potential is there that a school district of 184 would generate at least an additional \$600,000 from the state foundation aid formula than a district with 101 students. Our hope is that these committees would take seriously and provide some solutions to these challenges that face rural school districts in North Dakota.

THE STATE OF NORTH DAKOTA
Department of Public Instruction
Kirsten Baesler, State Superintendent
600 E. Boulevard Avenue, Dept 201
Bismarck, North Dakota 58505-0440

School Finance Facts

- Mill Levies and Taxable Valuation
- General Fund Revenue and Expenditures
- Student Enrollment and Average Daily Membership
- Teacher FTE and Average Salary



February 2013

Foreword

The School Finance Facts contains statistical information about the public schools of the state of North Dakota. The financial and average daily membership reports (Sections D, E, F, G, H, J) are for the 2011-2012 school year. The taxable valuation, mill levy, fall enrollment and teacher reports (sections B, C, I) are for the 2012-2013 school year.

The data are presented in the following sequence:

Summary of Facts	A
Rank Order of School Districts by Total Mill Levy	B
School District Mill Levies by Fund by County	C
Fund Group 1 Revenue and Expenditures and Average Cost Per Pupil by Grade Level	D
Fund Group 1 Expenditures by Function (State)	E
Fund Group 1 Expenditures by Function (District)	F
Current Expenditures by Type of District.....	G
Rank Order of School Districts by Average Cost Per Pupil	H
Fall Enrollment, Teachers and Teacher Salaries.....	I
State Aid Formula and Other Statistics.....	J

Data sources are the annual school district financial reports, fall MIS collection, and the December taxable valuation and mill levy reports. Corrections made by school district personnel after February 1, 2013 were not incorporated in the data presented.

Inquiries concerning data contained in this publication should be directed to the Office of School Finance and Organization at (701) 328-2283.

To obtain copies of this publication or the data on diskette, contact the Office of Management Information Systems at (701) 328-2268. The address is Department of Public Instruction, 600 E. Boulevard Avenue, Dept. 201, Bismarck, ND 58505-0440. This information is also available on our web site.

Visit DPI's Web Site
<http://www.dpi.state.nd.us>

PUBLIC SCHOOL DISTRICTS

Summary of Facts

Type of School Districts (Fall of 2012)

High School Districts	148
Graded Elementary Districts	26
One-Room Rural Districts	5
Districts not operating schools	2
Total Number of School Districts	181

Type of Schools in Session (Fall of 2012)

Elementary Schools	176
Middle Level/Junior High Schools	24
Senior High Schools	33
Elem/Sec Combination	134
One Teacher Schools	7

Type of Units and Centers in Session (Fall of 2012)

Special Education Units	31
Career and Technology Centers	12
Regional Education Associations	8

Enrollment by Type of Schools (Fall of 2012)

Kindergarten	8,570
One-Room Rural Schools	36
Elementary Schools	60,523
Secondary Schools	30,063
Total K-12 Public Enrollment	99,192

Graduates

High School Districts	6,787
-----------------------	-------

Non-Public Schools (Fall of 2012)

Approved Non-Public Schools	47
K-12 Enrollment	6,206
Licensed Staff	620

Licensed Personnel (Fall of 2012)

	Staff (FTE)	Average Salary
All Teachers	8,062	46,331
Other Licensed	1,040	53,004
Administrators	533	83,094

Cost of Education and Average Cost Per Pupil in ADM

	Cost of Education	Cost Per Pupil
Presch Sp. Ed	10,969,042	10,515.31
Kindergarten	65,745,195	7,923.05
Elementary 1-6	444,818,307	10,107.74
Elementary 7-8	150,351,929	10,113.47
Elementary 1-8	595,170,236	10,109.19
Elementary K-8	660,915,431	9,839.13
Secondary 9-12	335,460,157	10,991.99
All Pupils	1,007,344,630	10,202.62

Cost of education figures include per pupil cost expenditures from the public school district, special education units and vocational education centers.

Average Daily Membership	98,733.93
State average for tuition purposes:	
Capital Outlay	812.52
Gen Fund Extracurricular Activities	320.19

Transportation

Number of Pupils Transported*	38,723
Cost of Transportation	53,965,770
Average Transportation Cost Per Pupil	1,393.63
Average Transportation Cost Per Mile	2.59
Total Annual Mileage*	20,856,898

*Estimated

Taxable Valuation

2010-11	2,289,056,928
2011-12	2,425,242,205
2012-13	2,770,953,672

Valuation of Buildings and Equipment (Fall of 2012)

3,181,134,557

FUND GROUP 1

Revenue

Local Sources 29.40%

Taxes	300,359,006
Tuition	19,187,635
Transportation	265,748
In Lieu of Taxes	1,451,348
Other Revenue	17,145,266
Total	338,409,002

County Sources 1.95%

Oil and Gas	16,899,318
Coal Production	2,214,114
Coal Conversion	1,481,064
Other Revenue	1,799,105
Total	22,393,601

State Sources 56.07%

Pupil Aid	438,503,604
Transportation	23,650,074
Vocational Education	5,263,557
Special Education	8,188,988
Other Revenue	7,946,469
Mill Levy Reduction Grant	161,907,294
Total	645,459,985

Federal Sources 11.75%

Federal Sources	135,307,358
-----------------	-------------

Other Sources 0.83%

Other Sources	9,597,225
---------------	-----------

Expenditure

Regular Instructional Programs

Kindergarten	31,373,594
Elementary	251,138,901
7th and 8th Grade	89,617,260
Secondary (9-12)	174,133,550
Total	546,263,305

Federal Programs

Title I	45,574,447
Innovative Education	-
Bilingual	887,301
Title II	9,645,332
Nutrition Ed. & Training Program	83,941
Indian Education	1,759,864
Other Federal	5,992,136
Drug Free	980,172
Total	64,923,193

Undistributed

Improvement of Instruction	9,198,526
Instructional Media	17,552,246
Other Support Staff Service	5,554,993
School Board	15,486,094
Exec. Administration	22,801,299
Special Area Admin.	2,858,610
Support Service Business	16,058,786
Operation and Maintenance	106,151,441
Central Support	8,162,301
Other Support	2,470,426
Total	206,294,721

Other Programs/Services

Student Transportation	48,896,906
Facility/Construction	16,837,511
Services Provided for Another LEA	4,266,359
Extracurricular Activities	23,481,170
Extracurricular Transportation	2,925,088
Adult Education	1,775,118
Community Services	6,263,495
Food Services	4,989,122
Other Enterprise Service	1,036,212
Total	110,470,981

Tuition/Assessments

Preschool Special Ed. Tuition	70,232
Kindergarten Tuition	563,110
Elementary (1-6) Tuition	5,221,397
7th & 8th Grade Tuition	1,189,862
Secondary (9-12) Tuition	8,362,192
Special Education Tuition	20,103,954
Vocational Education Tuition	2,063,555
Special Education Transportation	30,790
Vocational Education Transportation	-
Regional Education Association Assessments	3,966,678
Total	41,571,770

Other Uses

Debt Service	6,644,423
Transfers	14,972,660
Other	-6,220
Total	21,610,863

Special Programs

Special Education	113,494,917
Vocational Education	38,705,173
Total	152,200,090

Recap - Fund Group 1

Beginning Balance	282,571,842
Revenue	1,151,167,172
Expenditure	1,143,334,923
Ending Balance	290,404,090

Cooperative Programs

Special Education - Multidistrict Units

Beginning Balance	6,774,514
Revenue	47,879,368
Expenditure	47,668,941
Ending Balance	6,984,940

Vocational Education - Area Centers

Beginning Balance	1,527,247
Revenue	7,481,358
Expenditure	7,300,175
Ending Balance	1,708,430

Indebtness

Bonds	328,016,811
Cert. Of Indebtness	27,789,913
Construction Fund	32,354,842
Total Indebtness	388,161,566

FUND GROUP 1 - SPECIAL EDUCATION EXPENDITURES

	District	Cooperative Multidistrict	Total
Preschool Special Education	7,246,493	1,878,647	9,125,140
Mental Retardation	18,366,944	3,165,497	21,532,440
Hearing Impaired	1,189,901	778,429	1,968,330
Deaf and Deaf-Blind	422,564	909	423,473
Visually Impaired	940,254	487,308	1,427,562
Speech Impaired	14,334,910	4,479,367	18,814,277
Physically Impaired	613,998	18,225	632,224
Autism	1,974,157	162,208	2,136,366
Traumatic Brain Injury	49,455	-	49,455
Other Health Impaired	1,357,011	53,513	1,410,524
Emotionally Disturbed	10,110,224	1,230,273	11,340,496
Learning Disabled	25,189,934	7,557,539	32,747,473
Multiple Handicapped	1,896,257	576,256	2,472,513
Gifted and Talented	2,262,157	-	2,262,157
<u>Undistributed</u> Social Work	1,963,594	1,251,333	3,214,927
Counseling Services	283,038	750	283,788
Adaptive Physical Education	216,330	74,135	290,465
Psychological Service/Testing	1,934,659	1,929,594	3,864,253
Audiology	91,363	58,893	150,256
Speech Pathology	149,428	890,768	1,040,196
Medical Service Diagnosis and Evaluation	227,127	55,308	282,435
Occupational Therapy	2,048,124	1,697,906	3,746,030
Physical Therapy	783,708	654,501	1,438,210
Other Student Support Service	2,949,500	1,148,153	4,097,653
Support Service Instructional Staff	8,249,638	2,079,138	10,328,776
Governance Board	330,189	413,319	743,509
Special Area Admin. Service	2,342,998	3,715,149	6,058,148
Support Service - Business	308,045	730,380	1,038,425
Operation & Maintenance of Plant	1,617	277,829	279,447
Support Service - Central	130,503	772,081	902,584
Other Support Services	472,699	569,033	1,041,733
Boarding Care Service	801,820	-	801,820
Services Provided for Another LEA	-	455,275	455,275
Facility Acquisition/Construction	-	16,200	16,200
Special Education Tuition	-	10,102,726	10,102,726
Student Transportation Service	4,256,276	388,298	4,644,574
Total Expenditures	113,494,917	47,668,941	161,163,858

FUND GROUP 1 - VOCATIONAL EDUCATION EXPENDITURES

	District	Cooperative Multidistrict	Total
Agriculture	5,560,060	710,442	6,270,503
Distributive Education	1,123,100	264,403	1,387,503
Health Occupations	1,133,836	369,288	1,503,124
Home Economics & Consumer Homemaking	8,549,657	124,874	8,674,531
Industrial Arts	6,107,197	137,284	6,244,481
Office Occupations	5,701,530	149,824	5,851,354
Trades and Industrial Occupation	4,470,533	1,307,646	5,778,179
Vocational Guidance	1,589,790	967,868	2,557,659
Diversified Coop Programs	259,131	-	259,131
JTPA (Classroom)	16,777	-	16,777
Special Projects	204,209	450,331	654,539
Vocational Special Needs	1,486,180	58,615	1,544,796
<u>Undistributed</u> Improvement of Instruction	498,442	39,047	537,489
Governance Board	-	408,972	408,972
Special Area Administration	892,459	874,227	1,766,685
Support Service - Business	-	159,604	159,604
Operations/Maintenance	260,747	626,807	887,553
Other Support Service	207,663	9,605	217,268
Student Transportation Service	399,252	25,037	424,290
Adult Education	244,610	484,223	728,832
Payments to Member District	-	132,078	132,078
Construction Services	-	-	-
Total Expenditures	38,705,173	7,300,175	46,005,348

FUND GROUPS 2-7

Fund Group 2 - Special Reserve

Beginning Balance	11,725,248
Revenue	
Special Reserve Levy	1,089,265
Other Tax Revenue	-
Lieu of Taxes	62
Interest on Investments	66,955
Interfund Transfers	(9,527)
Loan Repayments	39,991
Total	1,186,745
Expenditure	
Transfer to Other Funds	136,462
Ending Balance	12,775,531

Fund Group 3 - Capital Projects

Beginning Balance	110,345,766
Revenue	
Building Fund	25,178,400
P.L. 81-815 Construction Aid	401,197
Special Assessments	2,741,006
Other Tax Revenue	1,983,536
Other Local Revenue	8,053,233
In Lieu of Taxes	72
Interest on Investments	849,792
Sale of Bonds	93,946,486
Interfund Transfers	6,976,232
School Construction Loans	4,000,000
Grants	727,563
Other	8,922,146
Total	153,779,662
Expenditure	
Fac. Acquisition/Construction	103,235,432
School Construction Repayments	5,466,406
Transfer to Other Funds	13,014,455
Total	121,716,293
Ending Balance	142,409,135

Fund Group 4 - Debt Service

Beginning Balance	14,331,640
Revenue	
Sinking and Interest	22,127,733
Asbestos Bonding	1,071,383
Bond Judgment	932,276
57-15-17-1 School Board Levies	371,550
Other Tax Revenue	2,606,015
Other Local Revenue	416,164
Interest on Investments	92,946
Interfund Transfers	10,375,142
Sale of Bonds	5,851,859
Total	43,845,068
Expenditure	
Debt Service	38,207,623
Transfer to Other Funds	206,205
Bond Refunding Transactions	1,187,302
Total	39,601,130
Ending Balance	18,575,577

Fund Group 5 - Food Service

Beginning Balance	9,213,950
Revenue	
Interest on Investments	26,669
Receipts - Local	25,387,416
Receipts - State	1,503,463
Receipts - Federal	19,012,200
Other Local Revenue	1,293,705
Interfund Transfers	1,627,533
Total	48,850,986
Expenditure	
Food Service	47,160,592
Transfer to Other Funds	784,678
Total	47,945,270
Ending Balance	10,119,666

Fund Group 6 - Student Activities

Beginning Balance	11,609,013
Revenue	
Interest on Investments	134,553
Student Activity	25,057,201
Other Local Revenue	5,318,223
Interfund Transfers	5,843,659
Total	36,353,635
Expenditure	
Student Transportation Service	475,215
Student Activities	34,311,573
Transfer to Other Funds	385,645
Total	35,172,433
Ending Balance	12,790,214

Fund Group 7 - Trust and Agency

Beginning Balance	4,547,212
Revenue	
Interest on Investments	44,695
Other Local Revenue	7,961,927
State Sources	1,568,006
Federal Sources	7,337,569
Interfund Transfers	-
Total	16,912,198
Expenditure	
Consortium Instructional	2,454,584
Consortium Support Service	3,155,599
Trust and Agency	11,367,698
Transfer to Other Funds	24,752
Total	17,002,634
Ending Balance	4,456,776

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
1	09	001	Fargo 1	219.28
2	03	030	Ft Totten 30	205.12
3	09	006	West Fargo 6	192.20
4	09	002	Kindred 2	179.22
5	34	019	Drayton 19	178.57
6	39	008	Hankinson 8	166.73
7	34	043	St Thomas 43	165.06
8	39	044	Richland 44	161.49
9	50	003	Grafton 3	161.00
10	50	078	Park River 78	159.00
11	30	001	Mandan 1	156.24
12	47	001	Jamestown 1	155.40
13	51	007	United 7	150.08
14	39	028	Lidgerwood 28	147.40
15	02	002	Valley City 2	143.43
16	51	001	Minot 1	141.02
17	18	001	Grand Forks 1	139.14
18	08	001	Bismarck 1	138.39
19	20	018	Griggs County Central 18	138.27
20	18	129	Northwood 129	138.08
21	49	009	Hillsboro 9	137.90
22	18	044	Larimore 44	137.24
23	39	037	Wahpeton 37	136.73
24	09	097	Northern Cass 97	135.05
25	47	003	Medina 3	135.00
26	36	001	Devils Lake 1	134.73
27	35	001	Wolford 1	133.96
28	37	019	Lisbon 19	132.41
29	29	027	Beulah 27	132.34
30	39	018	Fairmount 18	132.00
31	18	128	Midway 128	131.81
32	09	017	Central Cass 17	130.15
33	35	005	Rugby 5	129.75
34	51	016	Sawyer 16	129.62
35	19	049	Elgin-New Leipzig 49	128.84
36	40	029	Rolette 29	128.66
37	37	024	Enderlin Area 24	128.44
38	40	001	Dunseith 1	128.44
39	51	041	Surrey 41	128.37
40	40	004	Mt Pleasant 4	127.88
41	11	040	Ellendale 40	127.82
42	34	118	Valley-Edinburg 118	127.77
43	41	006	Sargent Central 6	127.24
44	30	049	New Salem-Almont 49	126.73
45	23	003	Edgeley 3	126.72

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
46	53	006	Eight Mile 6	125.84
47	34	100	North Border 100	125.42
48	25	060	TGU 60	124.02
49	49	003	Central Valley 3	123.73
50	53	099	Grenora 99	122.96
51	52	038	Harvey 38	122.79
52	53	001	Williston 1	122.42
53	49	007	Hatton Eielson 7	121.66
54	41	003	North Sargent 3	121.29
55	01	013	Hettinger 13	120.46
56	50	020	Minto 20	120.30
57	47	019	Kensal 19	120.00
58	31	002	Stanley 2	119.80
59	11	041	Oakes 41	119.70
60	45	034	Richardton-Taylor 34	119.70
61	28	008	Underwood 8	119.59
62	49	014	May-Port CG 14	119.57
63	47	014	Montpelier 14	119.40
64	15	006	Hazleton-Moffit-Braddock 6	119.30
65	45	001	Dickinson 1	119.08
66	20	007	Midkota 7	118.29
67	53	002	Nesson 2	118.08
68	34	006	Cavalier 6	118.00
69	21	009	New England 9	117.85
70	29	003	Hazen 3	117.61
71	32	066	Lakota 66	116.71
72	26	009	Ashley 9	116.06
73	47	010	Pingree-Buchanan 10	116.03
74	50	005	Fordville-Lankin 5	115.95
75	02	007	Barnes County North 7	115.21
76	23	008	LaMoure 8	115.16
77	18	061	Thompson 61	114.34
78	16	049	Carrington 49	114.24
79	46	019	Finley-Sharon 19	113.51
80	41	002	Milnor 2	111.41
81	23	007	Kulm 7	110.73
82	42	016	Goodrich 16	109.97
83	14	002	New Rockford-Sheyenne 2	109.47
84	25	001	Velva 1	109.26
85	42	019	McClusky 19	109.22
86	36	002	Edmore 2	109.09
87	10	019	Munich 19	108.78
88	28	051	Garrison 51	108.77
89	05	017	Westhope 17	108.48
90	38	026	Glenburn 26	108.33

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
91	21	001	Mott-Regent 1	107.80
92	38	001	Mohall-Lansford-Sherwood 1	107.59
93	13	019	Halliday 19	107.21
94	43	008	Selfridge 8	106.90
95	30	039	Flasher 39	106.11
96	32	001	Dakota Prairie 1	104.93
97	28	001	Wilton 1	104.35
98	33	001	Center-Stanton 1	103.58
99	46	010	Hope 10	102.26
100	15	015	Strasburg 15	101.34
101	06	001	Bowman Co 1	101.15
102	39	042	Wyndmere 42	100.65
103	43	003	Solen 3	100.05
104	28	072	Turtle Lake-Mercer 72	99.90
105	09	004	Maple Valley 4	99.33
106	26	019	Wishek 19	99.28
107	24	002	Napoleon 2	98.63
108	03	006	Leeds 6	98.46
109	51	161	Lewis and Clark 161	97.84
110	52	025	Fessenden-Bowdon 25	97.55
111	15	036	Linton 36	96.26
112	51	028	Kenmare 28	95.43
113	07	014	Bowbells 14	95.39
114	25	057	Drake 57	94.49
115	02	046	Litchville-Marion 46	94.10
116	13	016	Killdeer 16	93.26
117	40	003	St John 3	92.60
118	30	013	Hebron 13	92.43
119	03	009	Maddock 9	91.91
120	28	050	Max 50	91.80
121	36	044	Starkweather 44	91.77
122	06	033	Scranton 33	91.54
123	17	003	Beach 3	91.16
124	26	004	Zeeland 4	91.11
125	07	036	Burke Central 36	90.48
126	08	028	Wing 28	89.18
127	28	085	White Shield 85	87.37
128	31	001	New Town 1	85.30
129	03	005	Minnewaukan 5	85.14
130	24	056	Gackle-Streeter 56	83.93
131	05	054	Newburg-United 54	83.72
132	53	015	Tioga 15	81.98
133	30	048	Glen Ullin 48	81.43
134	45	009	South Heart 9	80.99
135	22	001	Kidder County 1	80.64

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
136	07	027	Powers Lake 27	78.63
137	05	001	Bottineau 1	77.76
138	45	013	Belfield 13	77.48
139	31	003	Parshall 3	71.41
140	27	001	McKenzie Co 1	71.15
141	03	029	Warwick 29	68.56
142	10	023	Langdon Area 23	67.38
143	12	001	Divide County 1	66.59
144	48	010	North Star 10	65.16
145	28	004	Washburn 4	63.21
146	27	002	Alexander 2	61.16
147	27	036	Mandaree 36	2.32
148	40	007	Belcourt 7	-

**RANK ORDER OF GRADED ELEMENTARY DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
1	18	127	Emerado 127	209.85
2	08	039	Apple Creek 39	179.35
3	09	007	Mapleton 7	143.33
4	08	033	Menoken 33	141.38
5	03	016	Oberon 16	131.57
6	08	035	Sterling 35	128.55
7	19	018	Roosevelt 18	122.56
8	15	010	Bakker 10	122.54
9	51	070	South Prairie 70	120.08
10	30	004	Little Heart 4	119.49
11	50	128	Adams 128	118.09
12	18	125	Manvel 125	116.97
13	27	014	Yellowstone 14	113.44
14	25	014	Anamoose 14	110.38
15	51	004	Nedrose 4	107.92
16	53	008	New 8	105.73
17	09	080	Page 80	98.97
18	52	035	Pleasant Valley 35	95.07
19	17	006	Lone Tree 6	82.55
20	22	014	Robinson 14	71.50
21	44	012	Marmarth 12	57.06
22	37	006	Ft Ransom 6	44.98
23	04	001	Billings Co 1	29.93
24	44	032	Central Elem 32	24.56
25	13	037	Twin Buttes 37	-
26	43	004	Ft Yates 4	-

**RANK ORDER OF RURAL DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
1	08	045	Manning 45	215.09
2	30	017	Sweet Briar 17	72.09
3	08	025	Naughton 25	61.59
4	27	032	Horse Creek 32	44.61
5	27	018	Earl 18	28.46

**RANK ORDER OF NONOPERATING DISTRICTS
BY TOTAL MILL LEVY FOR 2012-2013**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	TOTAL LEVY
1	18	140	Grand Forks AFB 140	-
2	51	160	Minot AFB 160	-

MILL LEVY SUMMARY FOR 2012-2013

The following is a summary of the taxable valuation and the number of mills levied by school district and by county. Taxable valuation per enrolled student is calculated by dividing the total taxable valuation by K-12 fall enrollment. The statewide average taxable valuation per enrolled student for the current school year is \$27,935.

To determine the amount of revenue that a mill levy will raise, multiply the taxable valuation of the school district by the number of mills levied.
(Example: taxable valuation \$1,500,000 x 40 mills / 1000 = \$60,000.)

The type of General Fund levy is denoted by use of the following codes: R = regular mill levy authorized by statute and set by the school board; S = specified maximum mill levy; U = unlimited mill levy; E = excess mill levy in accordance with NDCC 57-16. Of the school districts reporting a mill levy type, 161 districts have a regular mill levy, 13 districts have a

specified mill levy, and 3 districts have an unlimited levy. Four districts did not make a levy for the 2012-2013 school year. Twenty-nine districts levied less than 70 mills for general fund purposes. Six districts made no levy for general fund purposes. The total average levy for 2012-2013 is 135.66 mills.

According to the data reported, no bond elections were held to establish a specified maximum general fund mill levy.

The county and state totals were determined by totaling the taxable valuations for the school districts and calculating the number of mills required to raise the same amount of revenue if there were only a single county or state levy for each of the funds.

The Other Bonding column includes Asbestos Bonding, Judgement Bonding, Remodeling Bonding, HVAC Bonding and Alternative Education Program Bonding.

School District *****		School District Taxable Valuation	Taxable Valuation Per Enrolled Student	General Fund Levy	Technology Levy	High School Tuition Levy	High School Transportation Levy	Judgement Levy	Asbestos Levy	Remodeling Levy	Alternative Education Program Levy	Special Reserve Fund Levy	Special Assessments Levy	Building Fund Levy	Sinking and Interest Levy	Other Bonding	Total Mills Levied
***** District ***** No. Name		Taxable Value	Value Per Enr Student	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
STATE TOTALS		2,770,953,672	27,935	109.62	1.39	2.57	0.12	0.00	0.12	0.13	0.30	0.40	0.84	9.98	8.80	1.39	135.66

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 01 - ADAMS

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
013	Hettinger 13	8,765,034	31,304	93.86-R	4.15	2.56	5.13			6.23				8.53			120.46
COUNTY TOTALS		8,765,034	31,304	93.86	4.15	2.56	5.13			6.23				8.53			120.46

CO. 02 - BARNES

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other	Total
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding
002	Valley City 2	29,288,205	26,457	110.00-R	5.00	1.20						3.24	.34	10.00	8.19	5.46
007	Barnes County North 7	21,048,241	76,539	100.21-R	5.00									10.00		
046	Litchville-Marion 46	10,999,100	99,992	94.10-R												
COUNTY TOTALS		61,335,546	41,110	103.79	4.10	0.57						1.55	0.16	8.21	3.91	2.61

CO. 03 - BENSON

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
005	Minnewaukan 5	2,558,882	9,842	74.90-R	3.40									6.84			85.14
006	Leeds 6	7,759,102	54,259	83.25-R	4.25							2.45		8.51			98.46
009	Maddock 9	6,970,465	44,398	83.93-R										7.98			91.91
016	Oberon 16	1,712,948	32,941	81.95-R		49.62											131.57
029	Warwick 29	2,033,778	7,561	68.56-R													68.56
030	Ft Totten 30	152,438	1,081	86.27-R		118.85											205.12
COUNTY TOTALS		21,187,613	20,732	80.97	1.97	4.87						0.90		6.57			95.27

CO. 04 - BILLINGS

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Billings Co 1	8,353,309	124,676	29.93-R													29.93
COUNTY TOTALS		8,353,309	124,676	29.93													29.93

CO. 05 - BOTTINEAU

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Bottineau 1	26,500,495	44,167	68.44-R	1.92									7.40			77.76
017	Westhope 17	6,461,709	48,584	93.27-R	4.72								1.05	9.44			108.48
054	Newburg-United 54	7,574,746	122,173	81.73-R		.67								1.32			83.72
COUNTY TOTALS		40,536,950	50,990	74.88	2.01	0.13							0.17	6.59			83.77

CO. 06 - BOWMAN

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Bowman Co 1	20,525,536	44,332	91.16-R										9.99			101.15
033	Scranton 33	6,307,409	47,783	86.78-R										4.76			91.54
COUNTY TOTALS		26,832,945	45,097	90.13										8.76			98.89

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 07 - BURKE

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	/Int	Bonding		
014	Bowbells 14	5,265,724	84,931	84.43-R										2.85	8.11			95.39
027	Powers Lake 27	3,828,744	27,545	78.63-R														78.63
036	Burke Central 36	7,212,270	61,121	81.02-R	3.47									5.99				90.48
COUNTY TOTALS		16,306,738	51,118	81.56	1.53									3.57	2.62			89.28

CO. 08 - BURLEIGH

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	/Int	Bonding		
001	Bismarck 1	278,598,350	24,379	121.41-U										10.00	6.98			138.39
025	Naughton 25	422,127	105,532	61.59-R														61.59
028	Wing 28	3,171,012	29,092	83.82-R										5.36				89.18
033	Menoken 33	1,895,669	72,910	96.54-R		44.84												141.38
035	Sterling 35	3,088,408	93,588	96.17-R		16.19	16.19											128.55
039	Apple Creek 39	4,145,369	70,260	28.93-R		150.42												179.35
045	Manning 45	353,235	22,077	82.03-S		133.06												215.09
COUNTY TOTALS		291,674,170	24,983	119.12		2.76	0.17							9.61	6.67			138.33

CO. 09 - CASS

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	/Int	Bonding		
001	Fargo 1	267,918,783	24,573	191.18-R									1.75	26.35				219.28
002	Kindred 2	17,022,678	25,181	106.66-R						4.94			.65	9.88	57.09			179.22
004	Maple Valley 4	16,050,042	68,298	99.33-R														99.33
006	West Fargo 6	187,383,177	23,514	110.00-R	5.00	4.19					3.36	3.00	2.97	10.00	53.68			192.20
007	Mapleton 7	4,916,803	57,172	104.70-R		37.63								1.00				143.33
017	Central Cass 17	19,508,146	25,075	110.00-R											20.15			130.15
080	Page 80	6,551,581	74,450	88.97-R	5.00									5.00				98.97
097	Northern Cass 97	16,030,447	28,626	105.52-R											29.53			135.05
COUNTY TOTALS		535,381,657	25,141	149.76	1.81	1.81				0.16	1.18	1.05	1.94	17.07	22.22			196.99

CO. 10 - CAVALIER

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	/Int	Bonding		
019	Munich 19	8,864,770	99,604	101.92-R	2.78								.37	3.71				108.78
023	Langdon Area 23	24,516,454	72,320	64.38-R										3.00				67.38
COUNTY TOTALS		33,381,224	77,994	74.35	0.74								0.10	3.19				78.37

CO. 11 - DICKEY

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	/Int	Bonding		
040	Ellendale 40	12,398,783	38,506	94.68-R										3.02	30.12			127.82
041	Oakes 41	15,237,535	30,233	101.26-R										18.44				119.70
COUNTY TOTALS		27,636,318	33,458	98.31										11.52	13.51			123.34

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 12 - DIVIDE

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
001	Divide County 1	16,133,941	47,453	57.48-R										9.11			66.59
COUNTY TOTALS		16,133,941	47,453	57.48										9.11			66.59

CO. 13 - DUNN

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
016	Killdeer 16	14,397,573	36,729	83.26-R										10.00			93.26
019	Halliday 19	2,835,301	64,439	97.21-R										10.00			107.21
037	Twin Buttes 37	147,338	3,683	0.00-N													.00
COUNTY TOTALS		17,380,212	36,513	84.83										9.92			94.75

CO. 14 - EDDY

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
002	New Rockford-Sheyenne 2	10,494,736	30,867	94.47-R	5.00									10.00			109.47
COUNTY TOTALS		10,494,736	30,867	94.47	5.00									10.00			109.47

CO. 15 - EMMONS

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
006	Hazelton-Moffit-Braddock 6	6,168,599	69,310	98.38-S										4.70	16.22		119.30
010	Bakker 10	1,858,298	464,575	94.48-S		28.06											122.54
015	Strasburg 15	4,684,730	31,654	96.51-S										4.83			101.34
036	Linton 36	6,975,129	23,020	96.26-S													96.26
COUNTY TOTALS		19,686,756	36,189	96.82		2.65								2.62	5.08		107.17

CO. 16 - FOSTER

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
049	Carrington 49	17,698,947	32,595	100.00-R										5.00	9.24		114.24
COUNTY TOTALS		17,698,947	32,595	100.00										5.00	9.24		114.24

CO. 17 - GOLDEN VALLEY

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
003	Beach 3	6,221,260	21,906	91.16-R													91.16
006	Lone Tree 6	2,453,694	84,610	21.98-R		58.74						1.83					82.55
COUNTY TOTALS		8,674,954	27,716	71.59		16.61						0.52					88.72

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 18 - GRAND FORKS

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build		/Int	Bonding	
001	Grand Forks 1	163,127,992	23,261	123.78-U					.66				3.49	11.21				139.14
044	Larimore 44	11,059,264	27,173	107.89-R	5.00				4.97					5.00		14.38		137.24
061	Thompson 61	9,372,462	21,796	109.83-R	4.51													114.34
125	Manvel 125	5,441,290	42,845	11.04-R		86.84	10.09						.13	8.87				116.97
127	Emerado 127	2,971,442	39,098	111.51-S	2.03	75.02	11.15							10.14				209.85
128	Midway 128	8,937,284	43,597	116.81-S	5.00									10.00				131.81
129	Northwood 129	8,601,832	34,685	95.84-R	5.00									10.00		27.24		138.08
140	Grand Forks AFB 140	3,660		0.00-N														.00
COUNTY TOTALS		209,515,226	24,631	117.77	0.91	3.32	0.42		0.78				2.72	10.20		1.88		138.00

CO. 19 - GRANT

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build		/Int	Bonding	
018	Roosevelt 18	3,653,337	35,469	99.47-R		7.71	4.40						1.00	9.98				122.56
049	Elgin-New Leipzig 49	6,289,217	46,934	128.84-S														128.84
COUNTY TOTALS		9,942,554	41,952	118.05		2.83	1.62						0.37	3.67				126.53

CO. 20 - GRIGGS

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build		/Int	Bonding	
007	Midkota 7	9,491,107	69,788	118.29-S														118.29
018	Griggs County Central 18	10,671,646	45,605	110.00-S									.47	10.00			17.80	138.27
COUNTY TOTALS		20,162,753	54,494	113.90									0.25	5.29			9.42	128.86

CO. 21 - HETTINGER

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build		/Int	Bonding	
001	Mott-Regent 1	13,638,351	57,064	97.80-R										10.00				107.80
009	New England 9	9,297,687	51,086	97.85-R	5.00									15.00				117.85
COUNTY TOTALS		22,936,038	54,480	97.82	2.03									12.03				111.87

CO. 22 - KIDDER

***** District *****		Taxable	Value Per					Mills Levied								Sink	Other	Total
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build		/Int	Bonding	
001	Kidder County 1	12,479,222	34,190	76.10-R										4.54				80.64
014	Robinson 14	1,468,486	293,697	71.50-R														71.50
COUNTY TOTALS		13,947,708	37,697	75.62										4.06				79.68

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 23 - LAMOURE

***** District *****		Taxable	Value Per				HS	HS	Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
003	Edgeley 3	9,058,381	41,744	103.42-R										2.10	21.20		126.72
007	Kulm 7	8,046,294	69,365	98.80-R	3.73									8.20			110.73
008	LaMoure 8	10,003,844	31,558	102.96-R						2.70				9.50			115.16
COUNTY TOTALS		27,108,519	41,705	101.88	1.11					1.00				6.64	7.08		117.71

CO. 24 - LOGAN

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	Total
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	
002	Napoleon 2	6,642,227	24,784	83.57-R	5.00								.36	9.70			98.63
056	Gackle-Streeter 56	7,506,277	86,279	82.20-R								.33		1.40			83.93
COUNTY TOTALS		14,148,504	39,855	82.84	2.35							0.18	0.17	5.30			90.83

CO. 25 - MCHENRY

***** District *****		Taxable	Value Per			HS	HS	Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other	Total		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	
001	Velva 1	11,692,620	30,136	101.56-R											7.70		109.26
014	Anamoose 14	2,886,658	30,386	103.94-R								2.22		4.22			110.38
057	Drake 57	5,303,692	61,671	93.17-R								.13		1.19			94.49
060	TGU 60	15,198,343	44,701	106.51-R	3.29									8.22		6.00	124.02
COUNTY TOTALS		35,081,313	38,593	102.63	1.43							0.20		4.09	2.57	2.60	113.51

CO. 26 - MCINTOSH

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
004	Zeeland 4	3,840,191	75,298	89.94-R										1.17			91.11
009	Ashley 9	5,351,824	41,811	101.54-R		6.93							.19	7.40			116.06
019	Wishek 19	6,196,993	31,298	99.28-R													99.28
COUNTY TOTALS		15,389,008	40,820	97.74		2.41							0.07	2.87			103.08

CO. 27 - MCKENZIE

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	McKenzie Co 1	30,022,004	34,950	53.15-R										10.00		8.00	71.15
002	Alexander 2	8,793,854	72,081	55.93-R										5.23			61.16
014	Yellowstone 14	2,830,873	35,834	95.09-R		15.01	3.34										113.44
018	Earl 18	1,054,057	0	0.00-R		22.77	5.69										28.46
032	Horse Creek 32	2,107,103	702,368	20.88-R		14.24	9.49										44.61
036	Mandaree 36	1,237,460	5,837	2.32-R													2.32
COUNTY TOTALS		46,045,351	36,114	52.20		2.10	0.77							7.52		5.22	67.80

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 28 - MCLEAN

***** District *****		Taxable	Value Per			HS	HS	Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other			
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Wilton 1	9,429,209	45,773	86.96-R	4.35									13.04			104.35
004	Washburn 4	9,728,507	34,621	61.67-R										1.54			63.21
008	Underwood 8	8,632,755	40,914	100.55-R		1.16								10.00		7.88	119.59
050	Max 50	6,163,713	29,074	76.80-R	5.00									10.00			91.80
051	Garrison 51	13,317,958	35,610	98.77-R										10.00			108.77
072	Turtle Lake-Mercer 72	8,457,266	47,781	90.15-R										9.75			99.90
085	White Shield 85	537,945	4,446	87.37-R													87.37
COUNTY TOTALS		56,267,353	35,567	86.84	1.28	0.18								8.91		1.21	98.42

CO. 29 - MERCER

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
003	Hazen 3	9,476,848	16,368	90.62-R								3.00	.99	13.00		10.00	117.61
027	Beulah 27	15,822,818	22,701	106.61-R										17.43	8.30		132.34
COUNTY TOTALS		25,299,666	19,827	100.62								1.12	0.37	15.77	5.19	3.75	126.82

CO. 30 - MORTON

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Mandan 1	68,862,298	20,735	109.60-R	.11				.11	.11			5.81	16.44	24.06		156.24
004	Little Heart 4	1,046,168	69,745	100.37-R		19.12											119.49
013	Hebron 13	6,024,324	31,377	87.45-R										4.98			92.43
017	Sweet Briar 17	651,998	50,154	61.35-R		10.74											72.09
039	Flasher 39	4,770,793	24,095	99.82-R										6.29			106.11
048	Glen Ullin 48	7,967,468	52,765	81.43-R													81.43
049	New Salem-Almont 49	7,899,960	23,724	102.47-R		.19	.06					1.00		10.46	12.55		126.73
COUNTY TOTALS		97,223,009	23,022	104.44	0.08	0.29	0.00		0.08	0.08		0.08	4.12	13.11	18.06		140.34

CO. 31 - MOUNTRAIL

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	New Town 1	11,969,578	15,981	71.43-R										13.87			85.30
002	Stanley 2	28,026,873	46,634	93.64-R								3.00		19.98	3.18		119.80
003	Parshall 3	13,090,357	49,212	71.41-R													71.41
COUNTY TOTALS		53,086,808	32,851	83.15								1.58		13.68	1.68		100.09

CO. 32 - NELSON

***** District *****		Taxable	Value Per				HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total	
001	Dakota Prairie 1	17,765,479	71,635	100.33-R	4.60												104.93	
066	Lakota 66	7,287,049	37,369	106.90-R					.89					8.92			116.71	
COUNTY TOTALS		25,052,528	56,552	102.24	3.26				0.26					2.59			108.36	

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 33 - OLIVER

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
001	Center-Stanton 1	8,834,327	44,172	94.94-R	4.32									4.32			103.58
COUNTY TOTALS		8,834,327	44,172	94.94	4.32									4.32			103.58

CO. 34 - PEMBINA

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
006	Cavalier 6	11,392,623	27,992	110.00-R	5.00									3.00			118.00
019	Drayton 19	7,826,710	55,118	130.00-S		8.15							1.12	11.30	28.00		178.57
043	St Thomas 43	4,366,111	51,366	135.00-S		19.47	1.40						1.40	7.79			165.06
100	North Border 100	20,538,846	54,050	109.42-R										5.00	11.00		125.42
118	Valley-Edinburg 118	11,211,666	51,667	110.00-R	4.71	3.63								9.43			127.77
COUNTY TOTALS		55,335,956	44,952	114.59	1.98	3.42	0.11						0.27	6.60	8.04		135.01

CO. 35 - PIERCE

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
001	Wolford 1	2,824,854	70,621	108.96-S	5.00					10.00				10.00			133.96
005	Rugby 5	17,840,426	32,855	87.66-R	5.00					6.05			.84	5.00	25.20		129.75
COUNTY TOTALS		20,665,280	35,446	90.57	5.00					6.59			0.73	5.68	21.76		130.33

CO. 36 - RAMSEY

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
001	Devils Lake 1	26,988,297	16,466	110.00-R					.06			3.00	2.78	10.00	8.89		134.73
002	Edmore 2	6,725,258	124,542	105.37-R										3.72			109.09
044	Starkweather 44	4,282,766	64,890	88.03-R	.70									3.04			91.77
COUNTY TOTALS		37,996,321	21,601	106.70	0.08				0.04			2.13	1.97	8.10	6.31		125.35

CO. 37 - RANSOM

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
006	Ft Ransom 6	3,655,298	140,588	44.98-R													44.98
019	Lisbon 19	13,022,337	21,813	109.71-R	5.00								.20	15.00		2.50	132.41
024	Enderlin Area 24	11,037,971	36,072	100.25-R										7.02	21.17		128.44
COUNTY TOTALS		27,715,606	29,834	97.41	2.35								0.09	9.84	8.43	1.17	119.30

CO. 38 - RENVILLE

***** District *****		Mills Levied															
No.	Name	Taxable Value	Value Per Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbestos	Remod	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total
001	Mohall-Lansford-Sherwood 1	16,835,034	51,641	89.59-R					8.00					10.00			107.59
026	Glenburn 26	7,800,568	28,891	88.33-R										20.00			108.33
COUNTY TOTALS		24,635,602	41,335	89.19					5.47					13.17			107.82

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 39 - RICHLAND

***** District *****		Taxable	Value Per				HS	HS	Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
008	Hankinson 8	8,625,258	31,365	109.78-R	5.00							3.00		20.00	28.95		166.73
018	Fairmount 18	4,698,197	41,948	110.00-R	5.00							3.00		14.00			132.00
028	Lidgerwood 28	5,316,710	30,209	104.44-R	5.00	6.58								19.37	12.01		147.40
037	Wahpeton 37	26,319,552	21,734	110.00-R	5.00	.75						.15		10.00	10.83		136.73
042	Wyndmere 42	9,179,296	43,299	94.65-R	1.00									5.00			100.65
044	Richland 44	8,138,875	30,829	108.18-R	5.00							.50	.34	5.19	42.28		161.49
COUNTY TOTALS		62,277,888	27,679	106.99	4.41	0.88						0.77	0.04	11.12	15.14		139.36

CO. 40 - ROLETTE

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Dunseith 1	2,224,826	5,223	95.44-R		20.00						3.00		10.00			128.44
003	St John 3	1,402,598	3,691	76.91-R										15.69			92.60
004	Mt Pleasant 4	9,505,664	40,973	82.58-R									.26	5.15	29.52	10.37	127.88
007	Belcourt 7	712,889	419	0.00-N													.00
029	Rolette 29	4,121,785	25,133	107.66-R	5.00	3.00								10.00		3.00	128.66
COUNTY TOTALS		17,967,762	6,187	86.21	1.15	3.16						0.37	0.14	7.48	15.62	6.17	120.30

CO. 41 - SARGENT

***** District *****		Taxable	Value Per				HS	HS	Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
002	Milnor 2	5,201,395	23,860	89.60-R	5.00	5.27								11.54			111.41
003	North Sargent 3	4,117,236	18,715	99.44-R	2.03	3.05						2.03		14.74			121.29
006	Sargent Central 6	13,205,338	62,585	99.36-R		1.89						2.19			23.04	0.76	127.24
COUNTY TOTALS		22,523,969	34,706	97.12	1.53	2.88						1.66		5.36	13.51	0.45	122.50

CO. 42 - SHERIDAN

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
016	Goodrich 16	2,515,252	89,830	102.57-R		1.99						1.83		3.58			109.97
019	McClusky 19	4,129,038	52,936	100.93-R										8.29			109.22
COUNTY TOTALS		6,644,290	62,682	101.55		0.75						0.69		6.51			109.50

CO. 43 - SIOUX

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
003	Solen 3	1,796,460	10,888	100.05-R													100.05
004	Ft Yates 4	738,386	4,148	0.00-R													.00
008	Selfridge 8	2,086,608	26,751	98.51-R										8.39			106.90
COUNTY TOTALS		4,621,454	10,977	83.37										3.79			87.16

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 44 - SLOPE

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
012	Marmarth 12	2,397,727	184,441	24.07-R		27.69	5.30										57.06		
032	Central Elem 32	1,954,002	651,334	24.56-R													24.56		
COUNTY TOTALS		4,351,729	271,983	24.29		15.26	2.92										42.47		

CO. 45 - STARK

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
001	Dickinson 1	71,787,402	25,429	104.04-R										10.00		5.04	119.08		
009	South Heart 9	7,421,544	31,052	78.56-R	2.43												80.99		
013	Belfield 13	5,703,025	25,123	52.48-R	5.00									20.00			77.48		
034	Richardton-Taylor 34	8,269,854	30,293	104.85-R	4.95									9.90			119.70		
COUNTY TOTALS		93,181,825	26,160	98.93	0.94									9.81		3.88	113.56		

CO. 46 - STEELE

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
010	Hope 10	10,782,996	115,946	89.22-R	3.04									10.00			102.26		
019	Finley-Sharon 19	9,370,911	73,210	98.60-R	4.91									10.00			113.51		
COUNTY TOTALS		20,153,907	91,194	93.58	3.91									10.00			107.49		

CO. 47 - STUTSMAN

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
001	Jamestown 1	42,951,281	20,327	110.00-R		7.00					5.00		2.00	10.00	21.40		155.40		
003	Medina 3	5,216,080	33,223	110.00-R	5.00									20.00			135.00		
010	Pingree-Buchanan 10	5,254,331	35,989	102.03-R	5.00				2.00					7.00			116.03		
014	Montpelier 14	4,031,669	36,988	104.40-R	5.00									10.00			119.40		
019	Kensal 19	3,445,607	104,412	110.00-R										10.00			120.00		
COUNTY TOTALS		60,898,968	23,807	108.94	1.19	4.94			0.17		3.53		1.41	10.60	15.09		145.87		

CO. 48 - TOWNER

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
010	North Star 10	12,944,870	49,597	57.82-R	1.73	1.80							.35	3.46			65.16		
COUNTY TOTALS		12,944,870	49,597	57.82	1.73	1.80							0.35	3.46			65.16		

CO. 49 - TRAILL

***** District *****		Taxable	Value Per			Mills Levied													
No.	Name	Value	Enr	General	Tech	HS Tuit	HS Tran	Judge	Asbes tos	Remo d	Alt Ed Prog	Sp Reserve	Sp Assmt	Build	Sink /Int	Other Bonding	Total		
003	Central Valley 3	9,129,428	39,521	105.53-R										10.00	8.11	0.09	123.73		
007	Hatton Eielson 7	6,404,456	37,453	103.66-R	5.00							3.00		10.00			121.66		
009	Hillsboro 9	13,866,324	32,398	107.00-R	5.00							1.00	.85	10.00	14.05		137.90		
014	May-Port CG 14	15,980,667	32,025	103.57-R	5.00								1.00	10.00			119.57		
COUNTY TOTALS		45,380,875	34,147	105.03	3.99							0.73	0.61	10.00	5.92	0.02	126.30		

SUMMARY OF SCHOOL DISTRICT MILL LEVIES FOR 2012-2013

CO. 50 - WALSH

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other		
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
003	Grafton 3	12,358,602	14,321	110.00-R										20.00	31.00		161.00
005	Fordville-Lankin 5	4,829,104	102,747	110.00-R	1.19							1.31		3.45			115.95
020	Minto 20	4,995,482	21,814	110.00-R		9.00							1.30				120.30
078	Park River 78	8,138,415	19,898	110.00-R	5.00	3.00						3.00		20.00	18.00		159.00
128	Adams 128	2,497,723	92,508	110.00-R								2.08		6.01			118.09
COUNTY TOTALS		32,819,326	20,838	110.00	1.41	2.11						1.09	0.20	13.46	16.14		144.41

CO. 51 - WARD

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	Total
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	
001	Minot 1	151,663,327	21,094	105.57-R		9.98							.32		10.18	14.97	141.02
004	Nedrose 4	14,472,635	56,979	63.57-R		44.35											107.92
007	United 7	12,381,312	21,533	109.50-R									.23	19.90	10.45	10.00	150.08
016	Sawyer 16	4,826,748	36,845	102.09-R		1.24	6.21			10.08				10.00			129.62
028	Kenmare 28	12,532,993	42,485	85.43-R										10.00			95.43
041	Surrey 41	6,585,565	17,017	103.39-R	4.98									20.00			128.37
070	South Prairie 70	10,269,222	51,604	37.65-R	5.00	48.68									28.75		120.08
160	Minot AFB 160			0.00-N													.00
161	Lewis and Clark 161	18,613,944	46,887	82.84-R	5.00									10.00			97.84
COUNTY TOTALS		231,345,746	24,538	97.08	0.77	11.50	0.13			0.21			0.22	3.19	8.51	10.35	131.96

CO. 52 - WELLS

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp	Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	Bonding	Total
025	Fessenden-Bowdon 25	11,717,318	86,795	90.94-R										6.61		97.55
035	Pleasant Valley 35	1,661,931	276,989	79.43-R		13.24	1.20							1.20		95.07
038	Harvey 38	12,591,359	30,937	105.52-R	4.80							2.88		9.59		122.79
COUNTY TOTALS		25,970,608	47,392	97.27	2.33	0.85	0.08					1.40		7.71		109.63

CO. 53 - WILLIAMS

***** District *****		Taxable	Value Per			HS	HS		Asbes	Remo	Alt Ed	Sp	Sp		Sink	Other	
No.	Name	Value	Enr	General	Tech	Tuit	Tran	Judge	tos	d	Prog	Reserve	Assmt	Build	/Int	Bonding	Total
001	Williston 1	54,147,695	19,053	107.73-U	4.90									9.79			122.42
002	Nesson 2	10,483,723	38,123	62.54-R	3.24									6.48	35.82	10.00	118.08
006	Eight Mile 6	2,769,334	14,499	108.33-R	3.61							1.26		12.64			125.84
008	New 8	30,994,038	117,402	76.68-R	2.76	18.27	1.13							6.89			105.73
015	Tioga 15	16,525,444	41,731	71.62-R	3.79								.27	6.30			81.98
099	Grenora 99	7,099,741	51,447	110.00-R	4.93									8.03			122.96
COUNTY TOTALS		122,019,975	29,717	91.22	4.04	4.64	0.29					0.03	0.04	8.26	3.08	0.86	112.44

REPORT OF FUND GROUP 1 REVENUE AND EXPENDITURES AND AVERAGE COST PER PUPIL FOR 2011-2012

The following report contains a summary of the revenue by source, total expenditures, the June 30, 2012 ending balance for Fund Group 1 and average cost per pupil by grade level. The column headed local/county revenue contains revenue from county sources including dollars from mineral severance and conversion taxes. The total revenue column may be greater than the total revenue for local, state and federal sources because

revenue from other sources was not listed separately but was included in the total revenue column. The average cost per pupil is computed by dividing the reported costs for instruction, administration, and operation and maintenance of plant for each of the grade levels by the appropriate average daily membership. The value in the last column is the percent the ending balance was of the total Fund Group 1 expenditures.

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ---										--- 2011-2012 AVERAGE COST PER PUPIL ---					
CO NO	DIST NO	DISTRICT NAME	LOCAL/ COUNTY REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL REVENUE	TOTAL EXPEND- ITURES	ENDING BALANCE	PRE- KDGN	KDGN	GR. 1-6	GR. 7-8	GR. 9-12	GR. PK-12	PER- CENT
ADAMS															
01	013	Hettinger 13	963,515.91	2,010,413.20	195,600.44	3,169,529.55	3,230,164.46	982,961.53	5,466	9,356	11,410	9,768	12,418	11,178	30
BARNES															
02	002	Valley City 2	3,555,693.97	7,072,853.93	723,139.16	11,351,687.06	11,197,334.94	1,300,307.54	-	7,216	8,013	9,796	8,415	8,369	12
02	007	Barnes County North 7	1,953,573.33	2,515,910.85	205,110.16	4,674,594.34	4,666,625.32	1,481,769.35	-	11,375	13,863	8,154	14,852	13,027	32
02	046	Litchville-Marion 46	1,038,690.53	1,114,077.22	88,428.23	2,241,195.98	2,147,915.53	818,068.39	-	11,066	17,072	13,021	12,393	13,716	38
BENSON															
03	005	Minnewaukan 5	503,718.47	1,920,348.72	1,774,318.38	4,198,385.57	3,790,053.76	1,636,733.70	-	9,097	13,140	11,202	14,999	12,806	43
03	006	Leeds 6	634,915.45	1,219,048.87	120,982.13	2,003,946.45	1,995,033.24	603,140.82	-	9,034	10,343	9,005	12,678	10,792	30
03	009	Maddock 9	665,580.42	1,408,159.13	112,671.86	2,183,974.94	2,099,220.61	916,989.61	18,051	9,965	12,874	11,863	10,345	11,512	44
03	016	Oberon 16	181,995.02	99,904.16	297,554.40	588,242.66	1,079,849.31	156,977.15	-	8,086	16,115	19,990	-	14,525	15
03	029	Warwick 29	367,141.48	1,744,630.09	2,429,589.80	4,541,361.37	4,944,080.08	-145,718.36	-	8,678	14,574	7,433	19,414	14,247	-3
03	030	Ft Totten 30	45,842.86	1,103,427.37	2,068,360.10	3,562,913.02	3,330,505.06	1,071,936.36	3,490	-	-	-	20,475	19,612	32
BILLINGS															
04	001	Billings Co 1	1,961,248.33	0.00	385,443.81	2,798,308.14	2,442,522.39	3,916,936.87	-	23,701	29,350	46,315	-	29,766	160
BOTTINEAU															
05	001	Bottineau 1	2,568,771.60	4,104,090.68	530,051.93	7,272,694.78	7,102,283.97	2,499,680.09	6,487	8,009	10,013	8,856	9,759	9,506	35
05	017	Westhope 17	776,253.02	962,807.19	98,178.95	1,837,239.16	1,796,441.80	577,689.20	-	9,133	12,723	14,014	11,671	11,999	32
05	054	Newburg-United 54	650,198.65	642,202.08	56,047.73	1,358,996.50	1,356,821.95	311,239.84	-	17,868	18,071	29,208	22,818	21,034	23
BOWMAN															
06	001	Bowman Co 1	3,321,958.96	2,675,755.70	3,622.61	6,001,337.27	5,876,584.87	2,664,165.20	-	10,543	9,342	13,909	13,367	11,463	45
06	033	Scranton 33	950,558.59	897,082.28	106,230.38	1,953,871.25	1,941,422.15	876,699.09	-	10,571	12,613	11,781	14,846	13,076	45
BURKE															
07	014	Bowbells 14	722,858.95	493,722.42	32,266.04	1,270,340.33	1,244,178.81	570,803.16	-	29,156	17,456	14,951	20,546	18,731	46
07	027	Powers Lake 27	958,514.64	872,861.57	42,862.37	1,874,238.58	1,799,507.52	503,853.96	-	7,893	12,354	8,334	15,701	12,370	28
07	036	Burke Central 36	879,279.59	628,025.17	37,205.00	1,544,509.76	1,622,929.07	474,877.15	-	11,032	13,110	15,479	17,878	14,199	29

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST	DISTRICT	LOCAL/ COUNTY REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL REVENUE	TOTAL EXPEND- ITURES	ENDING BALANCE	PRE- KDGN	KDGN	GR. 1-6	GR. 7-8	GR. 9-12	GR. PK-12	PER- CENT
<u>BURLEIGH</u>														
08 001	Bismarck 1	35,458,816.58	70,696,686.43	12,059,573.54	118,349,619.09	114,541,113.20	18,011,396.39	6,666	6,927	8,737	8,614	9,650	8,838	16
08 025	Naughton 25	31,788.58	114,000.61	20,937.70	166,726.89	172,485.68	80,048.09	-	21,770	23,609	-	-	23,022	46
08 028	Wing 28	424,362.66	839,316.73	64,254.56	1,327,933.95	1,274,560.79	188,159.16	-	11,284	10,537	6,292	11,576	9,778	15
08 029	Baldwin 29	198,721.98	83,691.08	17,326.89	299,739.95	466,676.41	-82,755.57	-	-	-	-	-	0	-18
08 033	Menoken 33	227,692.25	205,415.18	16,655.00	449,762.43	447,510.61	173,144.46	-	9,467	9,078	8,132	-	9,098	39
08 035	Sterling 35	294,997.75	232,417.31	25,419.00	552,834.06	621,967.33	248,467.98	-	12,679	12,735	12,083	-	12,614	40
08 039	Apple Creek 39	769,768.64	539,901.21	36,111.23	1,345,781.08	1,199,384.52	551,265.59	-	5,864	9,002	-	-	8,523	46
08 045	Manning 45	78,426.89	69,013.29	12,771.24	160,211.42	148,743.73	60,040.85	-	12,544	6,113	13,000	-	7,150	40
<u>CASS</u>														
09 001	Fargo 1	52,188,724.52	66,994,031.61	10,163,293.93	130,963,097.06	138,457,194.99	28,275,539.77	5,954	8,611	11,245	10,926	11,488	10,989	20
09 002	Kindred 2	1,768,364.35	3,942,958.48	172,015.21	5,920,628.04	6,003,839.29	1,783,111.24	3,445	5,478	7,979	5,965	6,876	7,059	30
09 004	Maple Valley 4	1,519,665.08	2,091,140.17	79,523.61	3,690,328.86	3,515,985.39	1,587,844.00	-	7,517	13,540	8,739	12,877	11,945	45
09 006	West Fargo 6	22,778,712.93	45,194,604.44	3,914,887.45	72,033,498.00	71,593,777.30	13,152,399.24	11,618	8,080	8,165	9,134	8,566	8,454	18
09 007	Mapleton 7	662,842.50	720,036.22	72,621.08	1,455,499.80	1,460,325.39	299,569.82	-	10,963	11,301	-	-	11,257	21
09 017	Central Cass 17	2,323,870.73	4,410,265.91	265,171.71	6,999,308.35	6,963,753.08	1,988,106.86	-	6,032	6,603	8,544	7,623	7,168	29
09 080	Page 80	993,458.87	754,930.62	59,644.22	1,808,033.71	1,828,265.30	692,548.60	-	9,655	16,564	-	-	15,150	38
09 097	Northern Cass 97	1,595,584.85	3,432,198.92	136,525.06	5,164,708.83	5,087,575.19	1,334,894.15	-	6,370	7,227	6,929	7,816	7,292	26
<u>CAVALIER</u>														
10 019	Munich 19	779,673.74	698,187.29	90,646.80	1,568,507.83	1,557,924.71	610,958.94	-	5,571	13,148	19,826	13,828	13,704	39
10 023	Langdon Area 23	1,546,593.04	2,646,431.04	296,010.96	4,526,255.04	4,632,564.49	1,869,575.19	8,893	9,721	10,883	9,158	11,280	10,622	40
<u>DICKEY</u>														
11 040	Ellendale 40	1,347,602.77	2,444,984.40	161,210.68	4,070,330.53	4,301,266.72	1,102,152.72	-	6,404	9,566	7,361	9,947	9,037	26
11 041	Oakes 41	1,583,223.62	3,219,264.26	257,550.34	5,144,458.46	5,357,986.24	1,359,744.05	-	5,605	7,072	7,622	5,531	6,452	25
<u>DIVIDE</u>														
12 001	Divide County 1	2,237,518.45	1,728,695.99	189,167.72	4,175,736.41	4,150,434.28	1,414,840.40	-	8,515	10,283	11,245	15,009	11,494	34
<u>DUNN</u>														
13 016	Killdeer 16	2,416,726.50	2,407,547.20	438,806.57	5,287,051.84	5,666,690.80	1,667,513.15	11,275	9,878	12,506	7,725	10,674	10,807	29
13 019	Halliday 19	489,213.38	295,771.63	44,970.91	831,905.28	868,002.36	224,487.51	-	12,141	18,529	19,525	22,902	18,879	26
13 037	Twin Buttes 37	242,762.10	300,508.24	1,853,762.87	2,578,422.22	1,897,983.67	919,399.83	-	49,721	37,168	38,653	-	38,296	48
<u>EDDY</u>														
14 002	New Rockford-Sheyenne 2	992,082.01	2,331,273.73	248,622.68	3,571,978.42	3,528,219.19	1,532,543.88	-	7,714	8,633	8,211	8,991	8,632	43

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST DISTRICT	LOCAL/ COUNTY	STATE	FEDERAL	TOTAL	TOTAL	ENDING	PRE-		GR.	GR.	GR.	GR.	PER-
NO NO NAME	REVENUE	REVENUE	REVENUE	REVENUE	EXPEND- ITURES	BALANCE	KDGN	KDGN	1-6	7-8	9-12	PK-12	CENT
<u>EMMONS</u>													
15 006 Hazelton-Moffit-Braddock 6	558,989.00	874,562.74	97,502.20	1,531,053.94	1,545,260.78	690,577.34	-	12,456	14,304	11,113	16,216	14,222	45
15 010 Bakker 10	236,091.65	42,817.82	0.00	278,909.47	211,357.63	67,551.84	-	20,468	14,338	-	-	15,544	32
15 015 Strasburg 15	550,558.62	1,049,744.70	125,326.69	1,725,630.01	1,712,285.89	629,286.59	2,804	8,781	11,609	8,451	8,816	9,635	37
15 036 Linton 36	864,580.67	2,122,715.14	258,066.16	3,245,361.97	3,344,561.74	639,204.64	3,143	8,107	8,540	11,909	9,250	9,250	19
<u>FOSTER</u>													
16 049 Carrington 49	1,896,540.29	3,505,645.36	212,557.53	5,640,514.80	5,575,157.41	2,060,077.35	-	7,251	8,201	7,973	8,395	8,170	37
<u>GOLDEN VALLEY</u>													
17 003 Beach 3	2,023,028.74	2,122,632.90	762,889.13	4,908,550.77	4,354,486.17	1,592,033.67	3,694	12,421	12,221	10,493	11,556	11,695	37
17 006 Lone Tree 6	437,713.24	312,956.77	40,485.68	791,155.69	747,273.51	355,820.02	-	12,288	19,487	22,389	-	18,232	48
<u>GRAND FORKS</u>													
18 001 Grand Forks 1	24,151,805.00	42,898,649.00	8,164,567.00	75,478,268.00	77,777,650.00	15,165,998.00	3,407	7,165	9,762	14,002	11,498	10,491	19
18 044 Larimore 44	1,432,770.85	2,850,509.47	399,552.41	4,702,832.73	4,736,901.00	1,380,316.86	-	5,837	10,806	7,096	9,163	9,116	29
18 061 Thompson 61	1,094,641.37	2,943,963.10	67,400.00	4,106,004.47	4,085,948.30	851,524.84	-	7,223	7,147	7,452	7,880	7,424	21
18 125 Manvel 125	618,746.77	1,139,656.14	336,133.71	2,117,806.54	1,908,382.99	781,235.99	-	5,929	7,707	7,199	-	7,365	41
18 127 Emerado 127	677,421.06	671,681.01	175,204.14	1,648,268.51	1,524,054.78	642,065.54	-	9,713	11,776	20,004	-	12,721	42
18 128 Midway 128	1,269,915.96	1,766,344.21	395,677.96	3,431,938.13	3,289,043.16	1,389,621.71	-	16,840	17,026	6,358	13,843	13,805	42
18 129 Northwood 129	977,685.53	1,812,729.23	172,379.94	3,148,100.54	3,070,690.63	1,187,162.39	-	7,735	9,507	7,945	10,337	9,424	39
18 140 Grand Forks AFB 140	0.00	0.00	1,948,959.00	1,948,959.00	2,311,426.00	-362,467.00	-	-	-	-	-	0	-16
<u>GRANT</u>													
19 018 Roosevelt 18	412,354.22	858,208.80	119,309.74	1,491,174.76	1,516,328.31	82,031.72	-	13,003	8,789	9,034	-	9,102	5
19 049 Elgin-New Leipzig 49	827,668.02	1,245,316.19	170,623.38	2,373,510.59	2,151,405.46	534,138.77	-	8,167	15,060	-	11,138	11,780	25
<u>GRIGGS</u>													
20 007 Midkota 7	1,003,408.63	1,123,658.11	110,378.47	2,237,445.21	2,203,928.19	550,324.89	-	12,053	11,174	17,616	15,987	13,592	25
20 018 Griggs County Central 18	1,229,573.65	1,992,027.67	218,008.88	3,439,610.20	3,118,326.75	1,188,600.12	-	9,979	11,360	10,688	9,250	10,311	38
<u>HETTINGER</u>													
21 001 Mott-Regent 1	1,206,351.58	1,885,675.00	133,948.25	3,404,019.83	3,485,654.74	1,081,714.14	-	10,379	10,612	10,716	14,089	11,616	31
21 009 New England 9	1,189,544.45	1,429,556.37	140,937.47	2,789,697.29	2,795,035.48	867,322.28	15,223	11,302	13,094	11,049	16,259	13,678	31
<u>KIDDER</u>													
22 001 Kidder County 1	1,322,475.85	2,801,432.39	232,879.72	4,438,647.87	4,532,427.79	1,783,960.47	-	8,283	10,188	8,129	11,270	10,142	39
22 014 Robinson 14	155,276.63	147,587.52	15,656.60	319,333.11	292,703.48	200,971.24	-	-	36,212	-	-	36,212	69

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ---

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO NO	DIST NO	DISTRICT NAME	LOCAL/ COUNTY REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL REVENUE	TOTAL EXPEND- ITURES	ENDING BALANCE	PRE- KDGN	KDGN	GR. 1-6	GR. 7-8	GR. 9-12	GR. PK-12	PER- CENT
LAMOURE															
23	003	Edgeley 3	911,174.77	1,839,767.21	108,569.14	2,859,511.12	3,305,909.50	334,370.70	-	6,004	7,714	10,514	12,123	8,885	10
23	007	Kulm 7	868,278.43	942,937.88	95,060.99	1,906,277.30	1,832,889.65	799,121.76	-	10,959	13,238	16,723	14,763	13,959	44
23	008	LaMoure 8	1,074,912.09	2,125,052.43	192,391.79	3,843,132.38	3,847,190.56	867,986.39	-	9,026	11,246	9,786	12,289	11,204	23
LOGAN															
24	002	Napoleon 2	618,666.57	1,969,761.48	325,382.69	2,954,286.84	2,902,614.48	1,181,256.23	43,888	5,773	8,015	7,245	9,981	8,399	41
24	056	Gackle-Streeter 56	649,041.57	720,286.83	47,923.44	1,417,251.84	1,462,276.71	635,809.78	9,924	11,733	11,460	12,515	15,854	13,243	43
MCHENRY															
25	001	Velva 1	1,153,712.03	2,507,574.00	222,318.92	3,883,604.95	3,825,552.22	802,667.98	10,651	8,015	8,110	8,767	10,420	8,940	21
25	014	Anamoose 14	301,651.08	695,118.42	431,509.99	1,555,175.81	1,386,479.42	637,495.32	6,405	10,611	11,864	-	-	11,568	46
25	057	Drake 57	492,205.49	760,064.62	68,219.15	1,410,576.65	1,423,029.01	611,816.34	-	-	-	11,403	14,532	13,426	43
25	060	TGU 60	1,598,508.07	2,707,210.18	472,235.26	4,777,953.51	4,743,977.90	1,240,476.14	7,259	11,586	12,516	10,270	13,930	12,534	26
MCINTOSH															
26	004	Zeeland 4	315,496.12	427,140.15	36,542.23	779,178.50	829,557.17	222,697.02	-	13,071	14,192	22,066	12,540	14,079	27
26	009	Ashley 9	622,243.68	1,190,366.17	60,620.81	1,883,339.31	1,904,288.26	797,379.23	18,067	9,269	12,087	16,453	10,008	11,500	42
26	019	Wishek 19	812,479.86	1,542,259.17	156,485.53	2,511,224.56	2,443,206.68	1,088,874.75	-	9,606	10,910	8,433	10,387	10,207	45
MCKENZIE															
27	001	McKenzie Co 1	4,227,194.16	4,388,886.86	1,463,480.06	10,079,561.08	9,411,237.34	2,467,100.66	-	6,071	8,033	8,234	8,864	8,124	26
27	002	Alexander 2	729,319.90	574,845.38	255,480.80	1,559,647.08	1,722,629.04	404,239.18	-	11,962	11,204	14,323	16,204	12,777	23
27	014	Yellowstone 14	485,506.13	588,837.21	80,669.17	1,155,385.08	1,218,028.14	335,259.11	-	12,327	10,959	14,683	-	11,819	28
27	018	Earl 18	61,242.11	0.00	17,154.60	78,396.71	113,927.38	826,802.13	-	-	-	-	-	0	726
27	032	Horse Creek 32	175,763.46	0.00	43,824.21	219,587.67	197,469.99	656,157.43	-	-	22,080	-	-	22,080	332
27	036	Mandaree 36	410,534.96	1,123,370.70	3,637,940.40	5,730,238.33	4,911,553.07	1,623,737.96	-	21,813	23,585	21,710	21,679	22,695	33
MCCLEAN															
28	001	Wilton 1	1,034,429.69	1,630,977.46	107,018.40	2,808,057.24	2,802,938.44	939,779.62	3,926	7,380	11,063	9,247	11,363	10,513	34
28	004	Washburn 4	954,151.33	1,870,828.89	159,191.91	2,984,172.13	3,003,186.24	1,175,682.76	12,489	5,672	7,951	8,034	11,000	8,730	39
28	008	Underwood 8	1,092,827.06	1,462,535.58	205,900.71	2,761,263.35	2,757,430.81	794,275.33	41,304	8,386	11,977	10,487	15,562	12,665	29
28	050	Max 50	723,823.19	1,417,751.88	133,761.55	2,277,247.62	2,190,792.20	806,838.19	-	12,719	9,325	7,461	9,983	9,422	37
28	051	Garrison 51	1,680,430.23	2,298,865.54	289,392.83	4,268,688.60	4,175,044.76	994,739.13	45,255	10,179	9,889	9,334	10,037	10,003	24
28	072	Turtle Lake-Mercer 72	1,019,216.02	1,217,010.89	144,131.30	2,413,808.21	2,209,984.17	936,308.76	280,551	8,743	11,636	9,497	12,923	11,612	42
28	085	White Shield 85	233,084.63	813,062.31	485,049.90	1,532,303.72	1,509,137.42	71,303.43	-	13,788	14,740	10,138	10,748	12,646	5
MERCER															
29	003	Hazen 3	2,044,510.81	3,607,679.77	331,698.55	5,997,646.13	6,016,669.49	1,791,538.38	-	6,941	8,289	9,079	8,910	8,486	30
29	027	Beulah 27	2,934,015.13	4,098,311.91	242,064.13	7,274,391.17	7,038,318.33	2,952,785.14	-	4,942	8,394	8,510	9,173	8,295	42

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST DISTRICT	LOCAL/ COUNTY	STATE	FEDERAL	TOTAL	TOTAL	ENDING	PRE-		GR.	GR.	GR.	GR.	PER-
NO NO NAME	REVENUE	REVENUE	REVENUE	REVENUE	EXPEND- ITURES	BALANCE	KDGN	KDGN	1-6	7-8	9-12	PK-12	CENT
MORTON													
30 001 Mandan 1	8,322,685.86	22,282,059.48	2,152,282.87	32,776,025.01	32,672,677.09	6,298,452.12	9,296	6,249	8,504	10,402	8,889	8,761	19
30 004 Little Heart 4	141,635.48	102,849.02	0.00	244,484.50	247,688.01	130,475.17	-	11,777	12,638	11,616	-	12,469	53
30 013 Hebron 13	551,601.41	1,532,071.20	238,341.57	2,557,515.26	2,548,985.55	853,156.02	-	8,115	9,066	9,705	12,795	10,187	33
30 017 Sweet Briar 17	60,911.75	66,566.76	6,408.33	133,886.84	119,406.79	70,169.20	-	13,450	9,518	9,399	-	10,277	59
30 039 Flasher 39	471,940.30	1,584,306.03	245,546.36	2,461,729.67	2,445,534.81	975,545.08	-	8,265	11,895	5,773	9,037	9,288	40
30 048 Glen Ullin 48	655,165.95	1,380,541.52	179,625.35	2,224,880.04	2,184,765.04	957,071.64	-	10,215	12,142	8,308	12,256	11,352	44
30 049 New Salem-Almont 49	978,044.54	2,381,621.82	128,193.44	3,487,859.80	3,464,367.89	405,103.46	-	8,086	9,745	7,293	10,730	9,589	12
MOUNTRAIL													
31 001 New Town 1	1,969,282.62	3,998,260.36	9,320,110.50	15,288,647.83	12,455,110.47	5,081,580.94	12,950	8,807	9,264	8,286	12,370	9,803	41
31 002 Stanley 2	3,020,830.63	3,470,798.79	259,882.65	6,844,684.13	6,547,981.47	1,550,149.87	54,402	6,983	8,689	9,498	9,972	9,131	24
31 003 Parshall 3	1,536,226.19	1,868,631.28	1,266,765.17	4,671,622.64	4,515,827.19	1,829,126.24	-	9,521	13,118	10,314	14,735	12,578	41
NELSON													
32 001 Dakota Prairie 1	1,747,089.87	2,186,457.49	284,103.80	4,217,651.16	4,238,616.00	1,207,647.41	4,995	6,880	11,308	11,265	13,388	11,659	28
32 066 Lakota 66	743,896.36	1,571,469.53	269,964.45	2,585,330.34	2,456,373.23	938,737.19	-	8,045	9,068	8,670	10,119	9,290	38
OLIVER													
33 001 Center-Stanton 1	1,289,698.65	1,651,790.83	99,954.86	3,126,058.15	3,094,295.24	1,250,168.61	-	7,165	12,652	9,202	13,195	11,705	40
PEMBINA													
34 006 Cavalier 6	1,424,226.25	2,482,359.22	256,123.30	4,166,068.77	4,163,020.24	1,576,090.93	8,827	6,909	8,847	7,297	9,125	8,599	38
34 019 Drayton 19	1,048,901.24	1,109,580.64	158,334.41	2,316,816.29	2,325,610.56	927,427.28	-	7,163	13,033	13,537	15,769	13,359	40
34 043 St Thomas 43	620,816.86	594,586.66	184,069.79	1,399,473.31	1,461,969.25	392,721.30	-	5,044	24,072	18,995	17,065	18,924	27
34 100 North Border 100	2,316,151.10	3,907,879.78	267,495.27	6,528,841.80	6,478,120.12	2,198,822.17	-	10,624	10,182	10,046	12,856	11,037	34
34 118 Valley-Edinburg 118	1,268,145.06	1,998,850.12	209,867.35	3,478,862.53	3,296,148.81	1,427,972.42	-	9,354	11,522	9,871	14,573	12,011	43
PIERCE													
35 001 Wolford 1	345,318.48	442,065.71	59,230.27	884,109.13	875,254.25	193,666.84	-	-	15,075	17,217	20,322	17,157	22
35 005 Rugby 5	1,797,667.15	3,698,121.47	446,312.43	5,943,585.26	6,792,403.65	1,494,767.16	-	7,381	8,201	7,149	10,566	8,765	22
RAMSEY													
36 001 Devils Lake 1	3,299,924.40	12,921,435.00	2,042,916.28	18,264,275.68	17,548,038.60	3,619,615.73	10,637	7,406	8,908	10,330	9,661	9,285	21
36 002 Edmore 2	668,697.19	530,527.30	54,560.12	1,342,822.89	1,388,908.02	594,787.72	-	-	-	13,231	18,010	16,540	43
36 044 Starkweather 44	371,723.47	656,039.23	26,401.44	1,099,881.48	1,222,572.94	372,955.76	26,021	7,183	12,186	15,408	16,867	13,476	31
RANSOM													
37 006 Ft Ransom 6	315,856.88	298,088.84	24,525.01	638,470.73	612,996.17	284,004.78	-	11,753	13,896	-	-	13,718	46
37 019 Lisbon 19	1,527,361.72	4,209,879.29	475,458.15	6,288,124.12	6,363,096.58	940,833.19	-	6,343	9,066	7,184	8,636	8,366	15
37 024 Enderlin Area 24	1,146,201.28	2,193,925.20	295,140.04	3,656,376.72	3,569,435.99	1,003,461.79	-	7,819	9,437	9,041	11,166	9,733	28

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST DISTRICT	LOCAL/ COUNTY REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL REVENUE	TOTAL EXPEND- ITURES	ENDING BALANCE	PRE- KDGN	KDGN	GR. 1-6	GR. 7-8	GR. 9-12	GR. PK-12	PER- CENT
NO NO NAME													
<u>RENNVILLE</u>													
38 001 Mohall-Lansford-Sherwood 1	2,067,826.08	2,412,137.38	144,784.06	4,755,939.60	4,753,301.03	2,052,907.03	3,453	9,613	10,097	7,502	12,745	10,216	43
38 026 Glenburn 26	1,006,101.03	1,805,337.59	297,140.30	3,108,578.92	2,984,820.74	1,097,549.51	-	7,260	9,095	8,781	11,249	9,551	37
<u>RICHLAND</u>													
39 008 Hankinson 8	986,984.27	2,018,636.37	131,718.61	3,168,115.68	3,089,381.26	1,092,397.03	-	8,945	8,767	8,851	12,149	9,810	35
39 018 Fairmount 18	550,517.02	943,464.34	117,791.95	1,611,773.31	1,614,284.02	637,594.21	-	8,882	13,383	10,702	14,490	12,805	39
39 028 Lidgerwood 28	610,107.17	1,325,681.33	123,524.43	2,059,312.93	2,047,439.71	686,060.35	-	9,204	9,387	11,032	12,732	10,523	34
39 037 Wahpeton 37	3,341,546.22	8,281,755.23	991,471.44	12,623,084.40	12,197,012.84	3,738,620.35	10,579	7,448	9,094	9,106	7,447	8,444	31
39 042 Wyndmere 42	849,247.05	1,767,389.61	132,327.05	2,748,963.71	2,757,004.92	1,083,322.49	-	7,461	11,297	10,225	11,825	11,002	39
39 044 Richland 44	896,014.61	2,037,193.46	88,851.49	3,022,059.56	3,018,855.83	817,333.51	-	7,631	9,149	6,233	10,173	8,760	27
<u>ROLETTE</u>													
40 001 Dunseith 1	294,501.20	3,614,351.91	2,737,282.23	6,646,135.34	6,983,483.42	93,006.88	-	6,603	9,351	4,661	15,993	9,927	1
40 003 St John 3	244,231.29	2,299,534.52	2,286,324.11	4,833,017.92	4,793,129.88	1,929,356.85	5,745	11,501	10,523	10,635	11,780	10,955	40
40 004 Mt Pleasant 4	782,281.85	1,696,233.39	307,886.00	3,727,016.24	3,731,445.42	976,149.47	70,853	12,026	14,654	11,962	16,281	14,641	26
40 007 Belcourt 7	83,001.32	9,082,809.85	13,019,069.01	22,190,524.10	22,528,107.02	3,289,846.49	81,138	4,531	10,336	12,134	13,583	11,730	15
40 029 Rolette 29	520,328.26	1,111,920.20	252,965.91	1,897,568.25	1,891,099.06	492,664.22	46,351	7,538	9,744	8,447	12,666	10,205	26
<u>SARGENT</u>													
41 002 Milnor 2	582,115.77	1,861,700.10	191,639.61	2,635,455.48	2,680,029.09	832,455.68	-	7,329	11,803	9,501	12,047	11,214	31
41 003 North Sargent 3	501,952.73	1,821,692.96	103,167.02	2,428,054.47	2,516,707.48	848,335.73	-	8,061	8,557	6,909	10,575	8,985	34
41 006 Sargent Central 6	1,430,887.03	1,750,556.97	82,924.29	3,364,368.29	3,226,534.80	1,203,460.57	-	11,647	11,934	11,492	13,081	12,311	37
<u>SHERIDAN</u>													
42 016 Goodrich 16	267,558.27	288,018.61	64,689.77	666,266.65	640,058.65	199,029.40	-	-	19,042	21,044	29,506	23,613	31
42 019 McClusky 19	456,838.53	800,073.61	84,274.95	1,373,539.87	1,372,100.23	461,814.82	46,888	10,882	14,731	12,769	16,890	14,666	34
<u>SIoux</u>													
43 003 Solen 3	406,547.12	1,995,041.44	1,540,674.19	3,942,262.75	3,824,634.69	117,628.06	17,560	10,571	15,436	8,049	27,026	16,128	3
43 004 Ft Yates 4	130,364.14	1,197,811.55	1,732,550.58	3,222,789.82	3,124,346.00	550,041.74	22,992	-	12,397	8,197	5,478	7,649	18
43 008 Selfridge 8	196,070.42	545,783.14	774,739.14	1,516,592.70	1,467,663.57	533,610.69	-	12,644	17,410	8,322	37,845	18,518	36
<u>SLOPE</u>													
44 012 Marmarth 12	277,983.47	3,138.51	56,017.00	337,138.98	269,797.40	547,133.62	-	18,126	17,122	17,055	-	17,152	203
44 032 Central Elem 32	175,312.76	0.00	17,784.00	193,096.76	239,508.51	349,875.10	-	-	63,949	-	-	63,949	146

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST	DISTRICT	LOCAL/ COUNTY	STATE	FEDERAL	TOTAL	TOTAL	ENDING	PRE-		GR.	GR.	GR.	GR.	PER-
NO NO	NAME	REVENUE	REVENUE	REVENUE	REVENUE	EXPEND- ITURES	BALANCE	KDGN	KDGN	1-6	7-8	9-12	PK-12	CENT
<u>STARK</u>														
45 001	Dickinson 1	8,189,505.94	17,084,183.34	2,801,397.22	28,075,936.50	25,847,604.79	10,298,347.00	6,220	6,453	8,816	8,350	9,162	8,585	40
45 009	South Heart 9	849,317.63	1,688,909.74	184,268.55	2,722,495.92	2,723,616.12	833,543.00	6,263	6,670	9,746	8,288	11,921	9,811	31
45 013	Belfield 13	677,188.09	1,730,266.99	133,022.16	2,632,181.41	2,618,471.85	1,181,047.36	4,670	8,089	10,496	6,662	12,491	10,264	45
45 034	Richardton-Taylor 34	1,188,791.82	2,000,495.30	257,632.27	3,366,919.39	3,345,679.57	721,386.04	4,038	7,080	9,708	10,096	11,671	10,119	22
<u>STEELE</u>														
46 010	Hope 10	1,323,884.89	825,046.93	59,644.22	2,208,576.04	2,137,225.67	830,712.52	-	-	-	14,089	15,210	14,949	39
46 019	Finley-Sharon 19	943,263.53	1,167,075.36	129,598.17	2,241,897.06	2,201,395.85	981,871.50	-	10,037	16,181	7,767	12,156	12,574	45
<u>STUTSMAN</u>														
47 001	Jamestown 1	5,818,575.99	15,242,317.77	2,548,064.22	23,697,132.72	23,330,232.93	5,776,561.56	4,756	7,813	9,828	9,673	9,129	9,342	25
47 003	Medina 3	551,356.19	1,154,447.87	160,773.95	1,875,495.80	1,788,994.88	587,045.14	252,687	14,725	11,666	8,505	10,894	11,053	33
47 010	Pingree-Buchanan 10	545,484.81	1,147,931.41	124,952.79	1,818,369.01	1,809,399.22	589,335.38	-	6,376	9,048	10,471	10,731	9,406	33
47 014	Montpelier 14	389,280.60	884,069.05	97,237.96	1,371,115.61	1,301,890.92	371,212.37	-	11,052	9,896	9,918	9,581	9,851	29
47 019	Kensal 19	401,548.36	416,069.01	35,644.42	853,261.79	818,861.32	320,732.60	-	6,804	22,679	15,413	23,373	19,480	39
<u>TOWNER</u>														
48 010	North Star 10	914,362.92	1,962,876.50	63,991.71	2,961,634.82	2,968,438.54	1,279,901.29	-	5,785	10,228	7,583	10,051	9,334	43
48 028	North Central 28	287,535.72	286,587.32	0.00	661,846.75	666,813.69	343,641.49	-	-	-	-	-	0	52
<u>TRAILL</u>														
49 003	Central Valley 3	952,422.83	1,585,125.31	81,447.04	2,618,995.18	2,659,947.51	1,063,535.38	-	8,624	10,235	5,582	9,887	9,216	40
49 007	Hatton Eielson 7	767,832.96	1,478,129.15	128,175.21	2,374,398.04	2,432,952.65	937,093.65	-	7,871	11,008	11,330	10,509	10,609	39
49 009	Hillsboro 9	1,609,688.16	2,703,585.99	244,111.73	4,585,019.93	4,597,155.50	799,940.06	-	6,062	9,758	8,884	10,329	9,532	17
49 014	May-Port CG 14	1,796,822.49	3,214,510.70	212,486.66	5,223,819.85	5,285,527.02	1,491,104.91	-	6,989	8,848	9,054	9,949	9,097	28
<u>WALSH</u>														
50 003	Grafton 3	1,728,698.84	5,643,430.53	1,412,907.55	8,875,653.13	8,785,064.91	2,298,250.65	-	8,079	9,302	9,558	8,555	8,996	26
50 005	Fordville-Lankin 5	547,950.49	579,968.07	52,147.66	1,182,066.22	1,161,665.54	536,991.52	-	5,980	28,768	12,536	16,543	17,218	46
50 020	Minto 20	580,708.61	1,465,885.12	115,538.57	2,162,132.30	2,256,211.58	722,068.60	-	6,758	10,369	9,779	10,595	9,983	32
50 078	Park River 78	966,480.81	2,875,754.60	300,671.61	4,158,832.02	4,185,167.37	1,213,654.54	-	7,721	8,756	6,862	8,714	8,365	29
50 128	Adams 128	273,436.07	435,845.50	55,657.62	904,880.64	1,001,830.60	197,554.36	-	17,790	18,139	-	-	18,094	20

--- 2011-2012 FUND GROUP 1 REVENUE AND EXPENDITURES ----

--- 2011-2012 AVERAGE COST PER PUPIL ---

CO DIST	DISTRICT		LOCAL/ COUNTY REVENUE	STATE REVENUE	FEDERAL REVENUE	TOTAL REVENUE	TOTAL EXPEND- ITURES	ENDING BALANCE	PRE- KDGN	KDGN	GR. 1-6	GR. 7-8	GR. 9-12	GR. PK-12	PER- CENT
<u>WARD</u>															
51	001	Minot 1	25,844,017.81	42,043,912.11	4,436,803.12	72,601,838.24	71,969,987.34	15,403,819.46	10,848	6,381	9,500	10,349	8,829	9,152	21
51	004	Nedrose 4	1,096,148.86	1,670,332.90	154,282.93	2,949,654.31	2,887,491.49	1,135,189.28	-	7,308	7,655	9,275	-	7,940	39
51	007	United 7	1,480,592.03	3,737,995.18	243,157.00	5,462,358.48	5,551,547.81	587,798.58	12,548	5,879	7,638	7,210	9,507	8,015	11
51	016	Sawyer 16	516,299.80	1,048,218.84	202,816.03	1,784,496.32	1,778,920.54	156,374.44	-	9,167	12,463	10,928	9,563	11,029	9
51	028	Kenmare 28	1,222,861.53	2,215,421.13	259,747.29	3,937,850.62	3,695,300.28	829,142.21	-	8,185	8,751	7,651	13,077	9,852	22
51	041	Surrey 41	825,396.15	2,641,709.41	99,760.83	3,569,564.82	3,566,335.50	278,580.91	221,067	6,530	9,025	6,910	8,042	8,319	8
51	070	South Prairie 70	840,442.34	1,354,195.62	206,734.33	2,401,372.29	2,445,295.59	1,063,254.10	-	7,420	8,681	7,030	-	8,171	43
51	160	Minot AFB 160	2,620.81	0.00	6,620,293.09	6,959,943.48	7,142,308.48	2,468,053.13	-	-	-	-	-	0	35
51	161	Lewis and Clark 161	1,709,722.52	2,774,918.97	152,590.43	4,637,231.92	4,550,260.84	1,606,343.79	-	7,894	9,592	10,183	10,499	9,893	35
<u>WELLS</u>															
52	025	Fessenden-Bowdon 25	1,006,672.18	1,103,892.90	95,371.01	2,251,604.60	2,246,966.57	888,276.65	5,118	9,875	13,296	10,613	15,049	12,745	40
52	035	Pleasant Valley 35	168,652.00	123,226.25	9,928.10	301,806.35	247,560.69	155,709.99	-	-	32,544	20,405	-	25,607	63
52	038	Harvey 38	1,450,998.54	2,887,466.11	343,397.74	4,683,182.10	4,482,426.26	1,485,969.94	4,418	8,704	9,373	8,606	10,592	9,573	33
<u>WILLIAMS</u>															
53	001	Williston 1	6,577,643.08	16,980,495.22	3,333,982.40	26,892,120.70	24,761,424.15	8,163,367.55	7,737	5,948	8,108	7,147	8,300	7,809	33
53	002	Nesson 2	855,022.01	1,829,266.02	118,542.03	2,695,434.37	2,799,669.46	581,520.11	-	6,622	8,978	7,553	10,037	8,857	21
53	006	Eight Mile 6	419,763.89	1,380,214.18	164,114.48	1,971,992.29	2,029,710.16	244,073.88	-	4,086	13,262	4,753	12,406	11,096	12
53	008	New 8	1,975,741.91	1,671,928.05	186,836.90	3,834,506.86	3,436,890.24	1,052,297.00	-	10,301	11,181	13,071	-	11,331	31
53	015	Tioga 15	1,428,728.17	1,891,945.10	1,055,146.26	4,375,819.53	4,230,479.87	935,027.21	-	10,869	9,830	13,008	10,976	10,769	22
53	099	Grenora 99	765,758.72	754,145.75	75,665.64	1,595,570.11	1,864,936.37	169,378.21	-	9,404	12,275	13,495	16,039	12,953	9

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

The following summary table and the accompanying data reported by school district personnel are provided in response to the many requests for data aggregations.

The following table contains a summary of the reported Fund Group 1 expenditures by function categorized by average daily high school membership. Also presented are the average expenditures per pupil and percent of expenditures by function for each size category. Each column contains the aggregated expenditure and average expenditure per pupil in average daily membership by function and the percent the aggregated expenditure for that function or group of functions was of the total Fund Group 1 expenditure for all purposes.

Columns headed: SALARY/BENEFITS TEACHERS contains only the reported expenditures for salaries and benefits for teachers. SALARY/BENEFITS SUPPORT contains only the reported salary and benefits expenditures for support staff including librarians, counselors and other support staff. OTHER INSTRUCTIONAL contains the reported expenditures for instructional supplies, books and equipment including audio visual equipment and computers. SCHOOL ADMINISTRATION contains the reported expenditures for the school principal's office. GENERAL ADMINISTRATION contains the reported expenditures for the school board, superintendent's office, business office and other general administrative purposes.

OPERATION AND MAINTENANCE OF PLANT contains the reported expenditures for the operation and maintenance of school plants in the school district.

STUDENT TRANSPORTATION contains the total reported expenditures for transporting students to and from school and home. CAPITAL PROJECTS contains the total reported expenditures of Fund Group 1 money for capital projects such as the purchase of land for school sites and remodeling projects. EXTRA CURRICULAR contains the reported Fund Group 1 expenditures for extra curricular activities including transportation for extra curricular activities. ALL OTHER EXPENDITURES contains the reported expenditures for debt service, transfers, tuition and other programs. TOTAL EXPENDITURES contains the total reported Fund Group 1 expenditures for all functions.

COST PER PUPIL FUND GROUP 1 contains the average Fund Group 1 expenditures per pupil in average daily membership for all purposes. AVERAGE COST PER PUPIL is computed by dividing the reported costs for instruction, administration, and operation and maintenance of plant by the total average daily membership for the appropriate grouping of school districts.

The reported school district data for these categories are found on the following pages.

STATEWIDE SUMMARY OF 2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

NO. DIST.	ENROLLMENT IN H.S.	TOTAL ADM	INSTRUCTION			ADMINISTRATION		OPERATION AND MAINTENANCE OF PLANT
			SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
11	500 AND UP	58,870.29	353,624,896.56 6,006.85 56.94	47,732,090.65 810.80 7.69	43,104,305.00 732.19 6.94	32,526,058.47 552.50 5.24	30,005,587.40 509.69 4.83	50,653,509.14 860.43 8.16
1	400 - 499	1,251.03	6,860,484.60 5,483.87 56.25	562,903.46 449.95 4.62	662,991.77 529.96 5.44	647,575.21 517.63 5.31	904,419.02 722.94 7.42	925,713.05 739.96 7.59
1	300 - 399	1,135.16	6,216,108.49 5,475.98 55.51	786,048.61 692.46 7.02	590,412.44 520.11 5.27	502,114.09 442.33 4.48	558,858.07 492.32 4.99	846,783.97 745.96 7.56
8	200 - 299	5,327.23	26,164,323.91 4,911.43 47.75	2,079,459.98 390.35 3.80	3,580,277.44 672.07 6.53	2,411,541.31 452.68 4.40	3,954,038.18 742.23 7.22	5,269,451.30 989.15 9.62
10	150 - 199	5,495.93	26,396,294.44 4,802.88 41.63	2,613,638.59 475.56 4.12	3,973,686.33 723.02 6.27	2,947,151.42 536.24 4.65	4,427,719.37 805.64 6.98	6,189,999.97 1,126.29 9.76
14	120 - 149	5,405.23	31,562,728.14 5,839.29 47.19	2,102,791.05 389.03 3.14	4,804,627.86 888.88 7.18	3,128,470.93 578.79 4.68	4,786,674.97 885.56 7.16	8,005,116.99 1,480.99 11.97
9	100 - 119	3,064.25	18,069,957.46 5,897.02 48.47	878,488.22 286.69 2.36	2,932,853.34 957.12 7.87	1,755,534.99 572.91 4.71	2,551,178.57 832.56 6.84	4,546,847.70 1,483.84 12.20
24	75 - 99	6,284.36	36,058,785.62 5,737.86 45.16	2,369,522.97 377.05 2.97	5,352,382.25 851.70 6.70	4,055,839.60 645.39 5.08	6,957,092.97 1,107.05 8.71	9,372,042.07 1,491.33 11.74
34	50 - 74	6,442.47	40,716,811.56 6,320.06 44.55	2,392,032.19 371.29 2.62	6,663,359.29 1,034.29 7.29	4,286,467.41 665.35 4.69	7,982,393.14 1,239.03 8.73	11,493,464.76 1,784.02 12.58
26	25 - 49	3,055.47	22,262,256.35 7,286.03 45.35	1,269,778.02 415.58 2.59	4,924,786.05 1,611.79 10.03	2,048,077.87 670.30 4.17	5,376,801.52 1,759.73 10.95	4,729,094.21 1,547.75 9.63
11	24 OR LESS	707.28	6,584,652.17 9,309.82 48.05	192,212.03 271.76 1.40	971,275.71 1,373.25 7.09	351,299.07 496.69 2.56	1,623,328.84 2,295.17 11.85	1,631,138.31 2,306.21 11.90
149	HS TOTAL	97,038.70	574,517,299.30 5,920.50 52.19	62,978,965.77 649.01 5.72	77,560,957.48 799.28 7.05	54,660,130.37 563.28 4.97	69,128,092.05 712.38 6.28	103,663,161.47 1,068.27 9.42
25	ELEM TOTAL	1,664.96	11,324,125.90 6,801.44 36.33	667,923.34 401.16 2.14	1,805,382.60 1,084.34 5.79	887,039.83 532.77 2.85	2,866,219.84 1,721.49 9.20	2,610,972.42 1,568.19 8.38
5	RURAL TOTAL	30.27	265,710.34 8,778.01 35.33	0.00 0.00 0.00	57,671.27 1,905.23 7.67	0.00 0.00 0.00	65,047.22 2,148.90 8.65	76,697.73 2,533.79 10.20
4	NONOPERATING	0.00	57,591.43 0.00 .54	256.72 0.00 0.00	258,419.43 0.00 2.44	2,000.00 0.00 .02	462,713.48 0.00 4.37	62,973.17 0.00 .59
183	GRAND TOTAL	98,733.93	586,164,726.97 5,936.81 51.27	63,647,145.83 644.63 5.57	79,682,430.78 807.04 6.97	55,549,170.20 562.61 4.86	72,522,072.59 734.52 6.34	106,413,804.79 1,077.78 9.31

STATEWIDE SUMMARY OF 2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

NO. DIST.	ENROLLMENT IN H.S.	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	COST PER PUPIL FUND GROUP 1	AVERAGE COST PER PUPIL
11	500 AND UP	15,278,193.11	7,171,132.12	11,334,789.08	29,597,245.88	621,027,807.41	10,549.09	9,472.46
		259.52	121.81	192.54	502.75			
		2.46	1.15	1.83	4.77			
1	400 - 499	440,554.53	0.00	504,610.34	687,760.86	12,197,012.84	9,749.58	8,444.31
		352.15	0.00	403.36	549.76			
		3.61	0.00	4.14	5.64			
1	300 - 399	272,428.59	0.00	407,297.06	1,017,283.62	11,197,334.94	9,864.10	8,369.15
		239.99	0.00	358.80	896.16			
		2.43	0.00	3.64	9.09			
8	200 - 299	4,413,021.19	1,464,003.41	1,840,004.09	3,615,818.69	54,791,939.50	10,285.26	8,157.92
		828.39	274.82	345.40	678.74			
		8.05	2.67	3.36	6.60			
10	150 - 199	3,871,709.38	3,773,769.88	1,797,872.54	7,415,017.83	63,406,859.75	11,537.06	8,469.63
		704.47	686.65	327.13	1,349.18			
		6.11	5.95	2.84	11.69			
14	120 - 149	4,575,678.14	411,237.33	1,958,488.50	5,552,207.32	66,888,021.23	12,374.69	10,062.55
		846.53	76.08	362.33	1,027.19			
		6.84	0.61	2.93	8.30			
9	100 - 119	2,967,874.07	629,835.83	1,198,392.63	1,749,782.41	37,280,745.22	12,166.35	10,030.14
		968.55	205.54	391.09	571.03			
		7.96	1.69	3.21	4.69			
24	75 - 99	6,271,303.72	1,666,359.63	2,544,652.76	5,202,108.34	79,850,089.93	12,706.16	10,210.37
		997.92	265.16	404.92	827.79			
		7.85	2.09	3.19	6.51			
34	50 - 74	7,490,413.25	716,333.83	2,899,762.47	6,747,547.05	91,388,584.95	14,185.33	11,414.03
		1,162.66	111.19	450.10	1,047.35			
		8.20	0.78	3.17	7.38			
26	25 - 49	3,687,549.30	512,917.20	1,391,047.29	2,889,577.73	49,091,885.54	16,066.89	13,291.18
		1,206.87	167.87	455.26	945.71			
		7.51	1.04	2.83	5.89			
11	24 OR LESS	1,259,726.17	6,670.34	244,635.28	838,970.41	13,703,908.33	19,375.51	16,052.92
		1,781.09	9.43	345.88	1,186.19			
		9.19	0.05	1.79	6.12			
149	HS TOTAL	50,528,451.45	16,352,259.57	26,121,552.04	65,313,320.14	1,100,824,189.64	11,344.18	9,712.71
		520.70	168.51	269.19	673.06			
		4.59	1.49	2.37	5.93			
25	ELEM TOTAL	2,561,535.45	485,251.80	284,705.45	7,678,318.85	31,171,475.48	18,722.06	12,109.40
		1,538.50	291.45	171.00	4,611.71			
		8.22	1.56	0.91	24.63			
5	RURAL TOTAL	33,107.06	0.00	0.00	253,799.95	752,033.57	24,844.19	15,365.93
		1,093.73	0.00	0.00	8,384.54			
		4.40	0.00	0.00	33.75			
4	NONOPERATING	429,340.22	0.00	0.00	9,313,930.13	10,587,224.58	0.00	0.00
		0.00	0.00	0.00	0.00			
		4.06	0.00	0.00	87.97			
183	GRAND TOTAL	53,552,434.18	16,837,511.37	26,406,257.49	82,559,369.07	1,143,334,923.27	11,579.96	9,763.41
		542.39	170.53	267.45	836.18			
		4.68	1.47	2.31	7.22			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
50 128 Adams 128	.00	38.25	425,770.20	22,906.64	25,873.76	29,975.89	122,796.42	64,758.18
			11,131.25	598.87	676.44	783.68	3,210.36	1,693.02
			42.50	2.29	2.58	2.99	12.26	6.46
27 002 Alexander 2	22.08	96.52	575,386.67	29,039.04	121,771.72	4,585.66	238,285.92	264,187.28
			5,961.32	300.86	1,261.62	47.51	2,468.77	2,737.12
			33.40	1.69	7.07	.27	13.83	15.34
25 014 Anamoose 14	.00	94.51	537,223.60	.00	152,411.38	71,955.49	140,814.02	190,910.55
			5,684.30	.00	1,612.65	761.35	1,489.94	2,020.00
			38.75	.00	10.99	5.19	10.16	13.77
08 039 Apple Creek 39	.00	66.13	370,672.42	.00	69,511.89	.00	50,462.21	72,948.59
			5,605.21	.00	1,051.14	.00	763.08	1,103.11
			30.91	.00	5.80	.00	4.21	6.08
26 009 Ashley 9	51.41	130.67	852,237.30	14,995.24	185,375.32	67,509.93	173,608.47	209,031.39
			6,522.06	114.76	1,418.65	516.64	1,328.60	1,599.69
			44.75	.79	9.73	3.55	9.12	10.98
15 010 Bakker 10	.00	7.47	41,750.13	11,464.52	9,340.93	.00	23,380.48	30,181.07
			5,589.04	1,534.74	1,250.46	.00	3,129.92	4,040.30
			19.75	5.42	4.42	.00	11.06	14.28
08 029 Baldwin 29	.00	.00	57,591.43	256.72	1,439.28	2,000.00	16,412.77	15,794.60
			.00	.00	.00	.00	.00	.00
			12.34	.06	.31	.43	3.52	3.38
02 007 Barnes County North 7	88.23	279.10	2,350,715.55	119,020.50	165,779.68	168,836.06	469,963.52	361,579.19
			8,422.48	426.44	593.98	604.93	1,683.85	1,295.52
			50.37	2.55	3.55	3.62	10.07	7.75
17 003 Beach 3	136.03	300.04	2,064,343.74	216,921.76	359,881.30	319,493.74	239,148.97	309,066.69
			6,880.23	722.98	1,199.44	1,064.84	797.06	1,030.08
			47.41	4.98	8.26	7.34	5.49	7.10
40 007 Belcourt 7	524.70	1,629.47	11,842,700.99	1,730,848.03	1,676,624.49	811,285.64	2,254,788.64	797,558.93
			7,267.82	1,062.22	1,028.94	497.88	1,383.76	489.46
			52.57	7.68	7.44	3.60	10.01	3.54
45 013 Belfield 13	75.46	228.86	1,292,078.38	39,007.08	215,339.02	122,919.14	178,683.87	500,900.18
			5,645.72	170.44	940.92	537.09	780.76	2,188.68
			49.34	1.49	8.22	4.69	6.82	19.13
29 027 Beulah 27	218.84	686.45	3,266,929.69	461,472.67	344,912.72	340,876.97	639,049.79	640,831.40
			4,759.17	672.26	502.46	496.58	930.95	933.54
			46.42	6.56	4.90	4.84	9.08	9.10
04 001 Billings Co 1	.00	56.55	852,239.72	102,628.39	196,182.85	83,774.37	186,548.17	261,870.80
			15,070.55	1,814.83	3,469.19	1,481.42	3,298.82	4,630.78
			34.89	4.20	8.03	3.43	7.64	10.72

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
50 128 Adams 128	81,403.23	.00	45,004.49	183,341.79	1,001,830.60	26,191.65	18,093.62
	2,128.19	.00	1,176.59	4,793.25			
	8.13	.00	4.49	18.30			
27 002 Alexander 2	380,961.82	.00	.00	108,410.93	1,722,629.04	17,847.38	12,777.21
	3,946.97	.00	.00	1,123.20			
	22.12	.00	.00	6.29			
25 014 Anamoose 14	85,573.39	.00	25,246.08	182,344.91	1,386,479.42	14,670.19	11,568.25
	905.44	.00	267.13	1,929.37			
	6.17	.00	1.82	13.15			
08 039 Apple Creek 39	615.00	.00	.00	635,174.41	1,199,384.52	18,136.77	8,522.53
	9.30	.00	.00	9,604.94			
	.05	.00	.00	52.96			
26 009 Ashley 9	184,690.70	.00	86,540.85	130,299.06	1,904,288.26	14,573.26	11,500.40
	1,413.41	.00	662.29	997.16			
	9.70	.00	4.54	6.84			
15 010 Bakker 10	26,594.40	.00	.00	68,646.10	211,357.63	28,294.19	15,544.46
	3,560.16	.00	.00	9,189.57			
	12.58	.00	.00	32.48			
08 029 Baldwin 29	.00	.00	.00	373,181.61	466,676.41	.00	.00
	.00	.00	.00	.00			
	.00	.00	.00	79.97			
02 007 Barnes County North 7	467,059.87	.00	106,769.47	456,901.48	4,666,625.32	16,720.26	13,027.21
	1,673.45	.00	382.55	1,637.05			
	10.01	.00	2.29	9.79			
17 003 Beach 3	205,791.15	132,224.33	136,133.64	371,480.85	4,354,486.17	14,513.02	11,694.63
	685.88	440.69	453.72	1,238.10			
	4.73	3.04	3.13	8.53			
40 007 Belcourt 7	1,312,074.82	.00	670,124.32	1,432,101.16	22,528,107.02	13,825.42	11,730.08
	805.22	.00	411.25	878.88			
	5.82	.00	2.97	6.36			
45 013 Belfield 13	75,118.18	.00	64,885.51	129,540.49	2,618,471.85	11,441.37	10,263.60
	328.23	.00	283.52	566.03			
	2.87	.00	2.48	4.95			
29 027 Beulah 27	400,172.92	.00	257,102.66	686,969.51	7,038,318.33	10,253.21	8,294.96
	582.96	.00	374.54	1,000.76			
	5.69	.00	3.65	9.76			
04 001 Billings Co 1	280,810.40	6,365.60	4,810.33	467,291.76	2,442,522.39	43,192.26	29,765.59
	4,965.70	112.57	85.06	8,263.34			
	11.50	.26	.20	19.13			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
08 001 Bismarck 1	3,655.15	11,656.13	66,753,401.58	8,841,381.01	5,342,325.81	5,870,396.10	6,215,548.22	9,988,214.60
			5,726.89	758.52	458.33	503.63	533.24	856.91
			58.28	7.72	4.66	5.13	5.43	8.72
05 001 Bottineau 1	224.99	621.57	3,861,083.60	239,274.63	467,656.01	275,290.54	425,552.35	639,863.80
			6,211.82	384.95	752.38	442.90	684.64	1,029.43
			54.36	3.37	6.58	3.88	5.99	9.01
07 014 Bowbells 14	22.74	57.25	570,254.32	.00	108,224.15	23,459.04	130,718.03	239,702.55
			9,960.77	.00	1,890.38	409.76	2,283.28	4,186.94
			45.83	.00	8.70	1.89	10.51	19.27
06 001 Bowman Co 1	136.46	432.30	2,552,071.09	58,637.89	525,073.43	282,430.57	461,088.25	1,076,033.17
			5,903.47	135.64	1,214.60	653.32	1,066.59	2,489.09
			43.43	1.00	8.94	4.81	7.85	18.31
07 036 Burke Central 36	21.40	96.15	1,054,079.72	.00	61,066.48	.00	146,715.07	103,344.23
			10,962.87	.00	635.12	.00	1,525.90	1,074.82
			64.95	.00	3.76	.00	9.04	6.37
16 049 Carrington 49	189.80	533.01	2,626,777.27	130,254.20	450,852.56	305,336.50	269,667.80	572,067.88
			4,928.20	244.37	845.86	572.85	505.93	1,073.28
			47.12	2.34	8.09	5.48	4.84	10.26
34 006 Cavalier 6	123.36	398.76	1,820,328.32	169,613.16	383,794.11	177,713.00	323,730.07	553,922.46
			4,564.97	425.35	962.47	445.66	811.84	1,389.11
			43.73	4.07	9.22	4.27	7.78	13.31
33 001 Center-Stanton 1	61.66	207.34	1,359,428.32	29,889.59	203,965.90	190,463.45	263,719.22	379,524.74
			6,556.52	144.16	983.73	918.60	1,271.92	1,830.45
			43.93	.97	6.59	6.16	8.52	12.27
09 017 Central Cass 17	266.62	785.67	3,301,280.58	323,894.78	262,998.99	376,401.91	598,962.19	767,756.55
			4,201.87	412.25	334.74	479.08	762.36	977.20
			47.41	4.65	3.78	5.41	8.60	11.03
44 032 Central Elem 32	.00	2.00	59,244.91	.00	39,321.59	.00	16,397.11	12,935.24
			29,622.46	.00	19,660.80	.00	8,198.56	6,467.62
			24.74	.00	16.42	.00	6.85	5.40
49 003 Central Valley 3	78.04	217.74	1,122,089.13	106,258.78	158,588.51	111,947.11	197,256.66	310,588.21
			5,153.34	488.01	728.34	514.13	905.93	1,426.42
			42.18	3.99	5.96	4.21	7.42	11.68
32 001 Dakota Prairie 1	84.89	255.55	1,833,783.43	176,695.36	211,800.05	227,224.74	191,264.61	338,589.52
			7,175.83	691.43	828.80	889.16	748.44	1,324.94
			43.26	4.17	5.00	5.36	4.51	7.99
36 001 Devils Lake 1	570.74	1,668.17	9,122,432.99	1,676,387.43	1,285,482.37	701,007.12	826,312.42	1,876,993.54
			5,468.53	1,004.93	770.59	420.23	495.34	1,125.18
			51.99	9.55	7.33	3.99	4.71	10.70

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
08 001 Bismarck 1	2,428,568.73	686,576.76	3,558,790.43	4,855,909.96	114,541,113.20	9,826.68	8,837.52
	208.35	58.90	305.31	416.60			
	2.12	.60	3.11	4.24			
05 001 Bottineau 1	454,970.81	21,825.30	217,053.20	499,713.73	7,102,283.97	11,426.36	9,506.12
	731.97	35.11	349.20	803.95			
	6.41	.31	3.06	7.04			
07 014 Bowbells 14	106,200.40	.00	15,507.66	50,112.66	1,244,178.81	21,732.38	18,731.15
	1,855.03	.00	270.88	875.33			
	8.54	.00	1.25	4.03			
06 001 Bowman Co 1	385,888.08	.00	350,521.07	184,841.32	5,876,584.87	13,593.77	11,462.72
	892.64	.00	810.83	427.58			
	6.57	.00	5.96	3.15			
07 036 Burke Central 36	208,732.85	.00	16,831.73	32,158.99	1,622,929.07	16,879.14	14,198.71
	2,170.91	.00	175.06	334.47			
	12.86	.00	1.04	1.98			
16 049 Carrington 49	397,813.77	.00	175,165.21	647,222.22	5,575,157.41	10,459.76	8,170.50
	746.35	.00	328.63	1,214.28			
	7.14	.00	3.14	11.61			
34 006 Cavalier 6	249,439.73	.00	172,845.79	311,633.60	4,163,020.24	10,439.91	8,599.41
	625.54	.00	433.46	781.51			
	5.99	.00	4.15	7.49			
33 001 Center-Stanton 1	300,740.81	.00	133,317.03	233,246.18	3,094,295.24	14,923.77	11,705.37
	1,450.47	.00	642.99	1,124.95			
	9.72	.00	4.31	7.54			
09 017 Central Cass 17	473,213.16	.00	324,984.24	534,260.68	6,963,753.08	8,863.46	7,167.51
	602.31	.00	413.64	680.01			
	6.80	.00	4.67	7.67			
44 032 Central Elem 32	8,940.00	.00	.00	102,669.66	239,508.51	119,754.26	63,949.43
	4,470.00	.00	.00	51,334.83			
	3.73	.00	.00	42.87			
49 003 Central Valley 3	121,223.71	200,000.00	156,846.38	175,149.02	2,659,947.51	12,216.16	9,216.17
	556.74	918.53	720.34	804.40			
	4.56	7.52	5.90	6.58			
32 001 Dakota Prairie 1	453,392.36	.00	167,336.83	638,529.10	4,238,616.00	16,586.25	11,658.61
	1,774.18	.00	654.81	2,498.65			
	10.70	.00	3.95	15.06			
36 001 Devils Lake 1	822,675.79	.00	747,100.84	489,646.10	17,548,038.60	10,519.33	9,284.79
	493.16	.00	447.86	293.52			
	4.69	.00	4.26	2.79			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
45 001 Dickinson 1	783.44	2,749.18	14,956,129.49	2,198,886.90	1,694,322.62	1,312,733.09	1,510,785.79	1,928,086.86
			5,440.21	799.83	616.30	477.50	549.54	701.33
			57.86	8.51	6.56	5.08	5.84	7.46
12 001 Divide County 1	80.12	296.08	1,882,161.17	123,217.86	368,204.74	231,150.11	356,427.32	441,899.39
			6,356.93	416.16	1,243.60	780.70	1,203.82	1,492.50
			45.35	2.97	8.87	5.57	8.59	10.65
25 057 Drake 57	51.53	79.70	491,908.07	51,338.06	108,836.14	53,579.06	174,313.29	190,061.65
			6,172.00	644.14	1,365.57	672.26	2,187.12	2,384.71
			34.57	3.61	7.65	3.77	12.25	13.36
34 019 Drayton 19	41.14	137.63	996,493.16	136,148.18	222,987.53	76,876.07	220,511.50	185,607.93
			7,240.38	989.23	1,620.20	558.57	1,602.21	1,348.60
			42.85	5.85	9.59	3.31	9.48	7.98
40 001 Dunseith 1	135.17	579.20	3,413,915.10	352,541.11	705,082.75	276,362.75	434,277.87	567,548.93
			5,894.19	608.67	1,217.34	477.15	749.79	979.88
			48.89	5.05	10.10	3.96	6.22	8.13
27 018 Earl 18	.00	.00	34,390.69	.00	3,360.71	.00	10,090.58	10,674.35
			.00	.00	.00	.00	.00	.00
			30.19	.00	2.95	.00	8.86	9.37
23 003 Edgeley 3	56.71	252.26	1,255,930.07	110,072.02	157,055.88	109,556.20	270,876.88	337,790.92
			4,978.71	436.34	622.60	434.30	1,073.80	1,339.06
			37.99	3.33	4.75	3.31	8.19	10.22
36 002 Edmore 2	42.97	62.05	424,615.23	12,276.48	145,964.35	46,368.95	137,614.25	259,486.89
			6,843.11	197.85	2,352.37	747.28	2,217.80	4,181.90
			30.57	.88	10.51	3.34	9.91	18.68
53 006 Eight Mile 6	62.67	167.99	1,080,354.73	79,485.78	111,960.33	113,767.95	213,402.21	265,072.38
			6,431.07	473.16	666.47	677.23	1,270.33	1,577.91
			53.23	3.92	5.52	5.61	10.51	13.06
19 049 Elgin-New Leipzig 49	85.55	133.51	822,590.05	82,938.82	104,349.57	98,750.82	194,238.31	269,900.48
			6,161.26	621.22	781.59	739.65	1,454.86	2,021.58
			38.24	3.86	4.85	4.59	9.03	12.55
11 040 Ellendale 40	87.36	331.76	1,736,664.23	110,452.08	350,384.96	176,042.35	369,027.71	255,641.39
			5,234.70	332.93	1,056.14	530.63	1,112.33	770.56
			40.38	2.57	8.15	4.09	8.58	5.94
18 127 Emerado 127	.00	80.34	590,518.85	75,796.42	86,913.82	.00	159,783.09	108,999.70
			7,350.25	943.45	1,081.82	.00	1,988.84	1,356.73
			38.75	4.97	5.70	.00	10.48	7.15
37 024 Enderlin Area 24	96.33	310.00	1,748,688.16	177,575.86	245,536.01	169,137.88	225,240.63	451,043.75
			5,640.93	572.83	792.05	545.61	726.58	1,454.98
			48.99	4.97	6.88	4.74	6.31	12.64

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
45 001 Dickinson 1	391,703.37	.00	842,618.76	1,012,337.91	25,847,604.79	9,401.93	8,584.72
	142.48	.00	306.50	368.23			
	1.52	.00	3.28	3.92			
12 001 Divide County 1	399,015.24	170,464.35	91,193.10	86,701.00	4,150,434.28	14,017.95	11,493.72
	1,347.66	575.74	308.00	292.83			
	9.61	4.11	2.20	2.09			
25 057 Drake 57	152,019.11	.00	25,921.68	175,051.95	1,423,029.01	17,854.82	13,425.80
	1,907.39	.00	325.24	2,196.39			
	10.68	.00	1.82	12.30			
34 019 Drayton 19	155,845.19	.00	103,776.17	227,364.83	2,325,610.56	16,897.56	13,359.18
	1,132.35	.00	754.02	1,652.00			
	6.70	.00	4.46	9.78			
40 001 Dunseith 1	241,417.28	.00	.00	992,337.63	6,983,483.42	12,057.12	9,927.02
	416.81	.00	.00	1,713.29			
	3.46	.00	.00	14.21			
27 018 Earl 18	8,559.00	.00	.00	46,852.05	113,927.38	.00	.00
	.00	.00	.00	.00			
	7.51	.00	.00	41.12			
23 003 Edgeley 3	212,960.32	.00	118,493.29	733,173.92	3,305,909.50	13,105.17	8,884.81
	844.21	.00	469.73	2,906.42			
	6.44	.00	3.58	22.18			
36 002 Edmore 2	135,784.74	.00	56,300.52	170,496.61	1,388,908.02	22,383.69	16,540.31
	2,188.31	.00	907.34	2,747.73			
	9.78	.00	4.05	12.28			
53 006 Eight Mile 6	69,632.68	.00	62,254.99	33,779.11	2,029,710.16	12,082.33	11,096.16
	414.50	.00	370.59	201.08			
	3.43	.00	3.07	1.66			
19 049 Elgin-New Leipzig 49	257,820.64	.00	62,574.83	258,241.94	2,151,405.46	16,114.19	11,780.15
	1,931.10	.00	468.69	1,934.25			
	11.98	.00	2.91	12.00			
11 040 Ellendale 40	285,161.46	541,939.47	125,296.14	350,656.93	4,301,266.72	12,964.99	9,037.29
	859.54	1,633.53	377.67	1,056.96			
	6.63	12.60	2.91	8.15			
18 127 Emerado 127	67,027.02	131,501.62	5,876.45	297,637.81	1,524,054.78	18,970.06	12,721.08
	834.29	1,636.81	73.14	3,704.73			
	4.40	8.63	.39	19.53			
37 024 Enderlin Area 24	270,151.68	.00	199,883.80	82,178.22	3,569,435.99	11,514.31	9,732.98
	871.46	.00	644.79	265.09			
	7.57	.00	5.60	2.30			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
39 018 Fairmount 18	33.25	110.51	898,589.77	16,643.52	168,678.89	84,450.83	150,880.98	95,825.42
			8,131.30	150.61	1,526.37	764.19	1,365.32	867.12
			55.66	1.03	10.45	5.23	9.35	5.94
09 001 Fargo 1	3,372.44	10,960.01	75,930,927.24	8,255,250.62	12,290,740.34	8,036,498.06	4,666,054.16	11,256,983.89
			6,928.00	753.22	1,121.42	733.26	425.73	1,027.10
			54.84	5.96	8.88	5.80	3.37	8.13
52 025 Fessenden-Bowdon 25	43.07	135.27	838,730.02	113,114.98	182,372.03	112,345.36	218,222.19	259,210.25
			6,200.41	836.22	1,348.21	830.53	1,613.23	1,916.24
			37.33	5.03	8.12	5.00	9.71	11.54
46 019 Finley-Sharon 19	55.81	135.49	1,024,327.49	29,743.81	146,416.01	145,187.38	212,168.56	145,773.78
			7,560.17	219.53	1,080.64	1,071.57	1,565.94	1,075.90
			46.53	1.35	6.65	6.60	9.64	6.62
30 039 Flasher 39	67.02	187.41	900,087.10	91,259.25	146,647.16	118,379.31	155,625.55	328,601.45
			4,802.77	486.95	782.49	631.66	830.40	1,753.38
			36.81	3.73	6.00	4.84	6.36	13.44
50 005 Fordville-Lankin 5	25.46	55.13	462,750.74	15,684.55	106,660.39	53,668.17	185,703.92	124,757.84
			8,393.81	284.50	1,934.71	973.48	3,368.47	2,262.98
			39.84	1.35	9.18	4.62	15.99	10.74
37 006 Ft Ransom 6	.00	26.17	173,527.01	7,155.57	72,151.94	.00	76,796.44	29,367.41
			6,630.76	273.43	2,757.05	.00	2,934.52	1,122.18
			28.31	1.17	11.77	.00	12.53	4.79
03 030 Ft Totten 30	136.87	144.20	1,754,464.84	83,061.75	343,533.64	168,253.35	432,775.75	45,914.57
			12,166.89	576.02	2,382.34	1,166.81	3,001.22	318.41
			52.68	2.49	10.31	5.05	12.99	1.38
43 004 Ft Yates 4	204.08	401.90	1,522,541.26	58,106.85	629,310.67	125,830.34	455,811.61	282,476.77
			3,788.36	144.58	1,565.84	313.09	1,134.14	702.85
			48.73	1.86	20.14	4.03	14.59	9.04
24 056 Gackle-Streeter 56	34.84	93.58	690,668.38	.00	142,049.69	55,427.24	162,772.40	188,366.74
			7,380.51	.00	1,517.95	592.30	1,739.39	2,012.90
			47.23	.00	9.71	3.79	11.13	12.88
28 051 Garrison 51	98.12	347.22	2,066,960.22	129,558.22	178,867.43	193,847.87	552,001.63	352,035.29
			5,952.88	373.13	515.14	558.29	1,589.77	1,013.87
			49.51	3.10	4.28	4.64	13.22	8.43
30 048 Glen Ullin 48	55.00	162.00	1,030,014.13	55,835.44	213,889.85	74,941.00	225,719.22	238,554.68
			6,358.11	344.66	1,320.31	462.60	1,393.33	1,472.56
			47.15	2.56	9.79	3.43	10.33	10.92
38 026 Glenburn 26	78.98	261.65	1,564,544.93	130,833.44	100,776.04	147,725.57	282,135.32	273,003.76
			5,979.53	500.03	385.16	564.59	1,078.29	1,043.39
			52.42	4.38	3.38	4.95	9.45	9.15

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
39 018 Fairmount 18	45,322.96	.00	57,231.55	96,660.10	1,614,284.02	14,607.58	12,804.90
	410.13	.00	517.89	874.67			
	2.81	.00	3.55	5.99			
09 001 Fargo 1	3,757,973.02	4,262,251.07	143,458.79	9,857,057.80	138,457,194.99	12,632.94	10,988.72
	342.88	388.89	13.09	899.37			
	2.71	3.08	.10	7.12			
52 025 Fessenden-Bowdon 25	175,457.53	.00	82,419.32	265,094.89	2,246,966.57	16,610.97	12,744.84
	1,297.09	.00	609.29	1,959.75			
	7.81	.00	3.67	11.80			
46 019 Finley-Sharon 19	161,787.40	47,045.51	80,363.54	208,582.37	2,201,395.85	16,247.66	12,573.75
	1,194.09	347.22	593.13	1,539.47			
	7.35	2.14	3.65	9.48			
30 039 Flasher 39	303,365.24	.00	103,927.05	297,642.70	2,445,534.81	13,049.12	9,287.66
	1,618.72	.00	554.54	1,588.19			
	12.40	.00	4.25	12.17			
50 005 Fordville-Lankin 5	65,468.48	.00	33,302.94	113,668.51	1,161,665.54	21,071.39	17,217.95
	1,187.53	.00	604.08	2,061.83			
	5.64	.00	2.87	9.78			
37 006 Ft Ransom 6	69,427.90	42,934.71	.00	141,635.19	612,996.17	23,423.62	13,717.94
	2,652.96	1,640.61	.00	5,412.12			
	11.33	7.00	.00	23.11			
03 030 Ft Totten 30	276,585.45	.00	89,893.60	136,022.11	3,330,505.06	23,096.43	19,611.68
	1,918.07	.00	623.40	943.29			
	8.30	.00	2.70	4.08			
43 004 Ft Yates 4	12,197.74	31,539.00	6,531.76	.00	3,124,346.00	7,773.94	7,648.86
	30.35	78.47	16.25	.00			
	.39	1.01	.21	.00			
24 056 Gackle-Streeter 56	109,466.41	.00	70,461.00	43,064.85	1,462,276.71	15,625.95	13,243.05
	1,169.76	.00	752.95	460.19			
	7.49	.00	4.82	2.95			
28 051 Garrison 51	287,172.36	89,392.00	230,132.43	95,077.31	4,175,044.76	12,024.21	10,003.08
	827.06	257.45	662.79	273.82			
	6.88	2.14	5.51	2.28			
30 048 Glen Ullin 48	137,002.77	.00	93,492.82	115,315.13	2,184,765.04	13,486.20	11,351.57
	845.70	.00	577.12	711.82			
	6.27	.00	4.28	5.28			
38 026 Glenburn 26	269,738.40	.00	.00	216,063.28	2,984,820.74	11,407.68	9,551.00
	1,030.91	.00	.00	825.77			
	9.04	.00	.00	7.24			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
42 016 Goodrich 16	9.63	22.75	303,989.96	.00	23,588.55	21,002.08	130,799.77	57,816.85
			13,362.20	.00	1,036.86	923.17	5,749.44	2,541.40
			47.49	.00	3.69	3.28	20.44	9.03
50 003 Grafton 3	258.13	825.33	4,264,377.90	390,803.36	706,211.73	379,724.99	767,091.89	916,502.79
			5,166.88	473.51	855.67	460.09	929.44	1,110.47
			48.54	4.45	8.04	4.32	8.73	10.43
18 001 Grand Forks 1	2,111.99	7,061.90	44,083,828.00	9,765,028.00	6,994,846.00	3,119,826.00	3,876,998.00	6,245,386.00
			6,242.49	1,382.78	990.50	441.78	549.00	884.38
			56.68	12.56	8.99	4.01	4.98	8.03
18 140 Grand Forks AFB 140	.00	.00	.00	.00	.00	.00	128,870.00	.00
			.00	.00	.00	.00	.00	.00
			.00	.00	.00	.00	5.58	.00
53 099 Grenora 99	24.93	117.83	773,654.68	24,699.07	115,356.05	109,930.76	146,765.99	355,803.67
			6,565.85	209.62	979.00	932.96	1,245.57	3,019.64
			41.48	1.32	6.19	5.89	7.87	19.08
20 018 Griggs County Central 18	99.47	239.77	1,498,056.42	160,181.31	99,528.30	192,278.00	299,743.19	222,431.48
			6,247.89	668.06	415.10	801.93	1,250.13	927.69
			48.04	5.14	3.19	6.17	9.61	7.13
13 019 Halliday 19	14.23	40.10	416,217.55	9,991.44	102,775.22	17,272.63	132,271.17	78,519.99
			10,379.49	249.16	2,562.97	430.74	3,298.53	1,958.10
			47.95	1.15	11.84	1.99	15.24	9.05
39 008 Hankinson 8	82.27	273.06	1,507,898.25	68,139.72	284,683.15	181,021.65	233,402.19	403,518.97
			5,522.22	249.54	1,042.57	662.94	854.77	1,477.77
			48.81	2.21	9.21	5.86	7.55	13.06
52 038 Harvey 38	126.27	416.54	2,177,482.40	183,839.20	398,681.73	239,602.86	256,681.27	731,233.12
			5,227.55	441.35	957.13	575.22	616.22	1,755.49
			48.58	4.10	8.89	5.35	5.73	16.31
49 007 Hatton Eielson 7	70.07	185.36	1,149,836.36	58,556.07	188,620.14	99,462.54	196,268.53	273,807.15
			6,203.26	315.90	1,017.59	536.59	1,058.85	1,477.16
			47.26	2.41	7.75	4.09	8.07	11.25
15 006 Hazelton-Moffit-Braddock 6	29.25	90.73	784,784.67	36,926.91	71,290.47	68,896.19	172,381.20	156,120.32
			8,649.67	407.00	785.74	759.35	1,899.94	1,720.71
			50.79	2.39	4.61	4.46	11.16	10.10
29 003 Hazen 3	196.50	573.37	2,441,110.46	238,047.57	268,144.20	334,611.16	660,808.35	922,898.41
			4,257.48	415.17	467.66	583.59	1,152.50	1,609.60
			40.57	3.96	4.46	5.56	10.98	15.34
30 013 Hebron 13	55.81	183.31	1,060,508.68	44,875.88	241,516.25	149,148.00	204,139.65	167,168.59
			5,785.33	244.81	1,317.53	813.64	1,113.63	911.94
			41.61	1.76	9.47	5.85	8.01	6.56

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT		STUDENT	CAPITAL	EXTRA	ALL OTHER	TOTAL	FUND GROUP 1	AVERAGE
NUMBER NAME		TRANSPORTATION	PROJECTS	CURRICULAR	EXPENDITURES	EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
42 016 Goodrich 16		46,132.33	.00	2,107.40	54,621.71	640,058.65	28,134.45	23,613.06
		2,027.79	.00	92.63	2,400.95			
		7.21	.00	.33	8.53			
50 003 Grafton 3		237,505.55	.00	316,171.33	806,675.37	8,785,064.91	10,644.31	8,996.05
		287.77	.00	383.08	977.40			
		2.70	.00	3.60	9.18			
18 001 Grand Forks 1		461,784.00	650,000.00	1,849,801.00	730,153.00	77,777,650.00	11,013.70	10,490.93
		65.39	92.04	261.94	103.39			
		.59	.84	2.38	.94			
18 140 Grand Forks AFB 140		275,000.00	.00	.00	1,907,556.00	2,311,426.00	.00	.00
		.00	.00	.00	.00			
		11.90	.00	.00	82.53			
53 099 Grenora 99		96,549.26	.00	89,254.87	152,922.02	1,864,936.37	15,827.35	12,952.65
		819.39	.00	757.49	1,297.82			
		5.18	.00	4.79	8.20			
20 018 Griggs County Central 18		225,233.69	.00	110,857.80	310,016.56	3,118,326.75	13,005.49	10,310.79
		939.37	.00	462.35	1,292.97			
		7.22	.00	3.56	9.94			
13 019 Halliday 19		33,467.43	.00	2,273.03	75,213.90	868,002.36	21,645.94	18,879.00
		834.60	.00	56.68	1,875.66			
		3.86	.00	.26	8.67			
39 008 Hankinson 8		157,956.20	.00	85,827.22	166,933.91	3,089,381.26	11,313.93	9,809.80
		578.47	.00	314.32	611.35			
		5.11	.00	2.78	5.40			
52 038 Harvey 38		276,813.92	.00	169,732.91	48,358.85	4,482,426.26	10,761.09	9,572.96
		664.56	.00	407.48	116.10			
		6.18	.00	3.79	1.08			
49 007 Hatton Eielson 7		198,844.47	.00	93,957.27	173,600.12	2,432,952.65	13,125.55	10,609.36
		1,072.75	.00	506.89	936.56			
		8.17	.00	3.86	7.14			
15 006 Hazelton-Moffit-Braddock 6		169,849.91	.00	29,465.61	55,545.50	1,545,260.78	17,031.42	14,222.42
		1,872.04	.00	324.76	612.21			
		10.99	.00	1.91	3.59			
29 003 Hazen 3		407,705.66	.00	173,518.26	569,825.42	6,016,669.49	10,493.52	8,486.00
		711.07	.00	302.63	993.82			
		6.78	.00	2.88	9.47			
30 013 Hebron 13		149,683.37	.00	111,465.55	420,479.58	2,548,985.55	13,905.33	10,186.88
		816.56	.00	608.07	2,293.82			
		5.87	.00	4.37	16.50			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

			----- INSTRUCTION -----			--- ADMINISTRATION ---		
COUNTY/DISTRICT	AVERAGE DAILY MEMBERSHIP		SALARY/ BENEFITS	SALARY/ BENEFITS	OTHER	SCHOOL	GENERAL	OPERATION AND
NUMBER NAME	HIGH SCHOOL	TOTAL	TEACHERS	SUPPORT	INSTRUCTIONAL	ADMINISTRATION	ADMINISTRATION	OF PLANT
01 013 Hettinger 13	69.49	248.90	1,600,334.06	125,622.80	159,120.88	197,077.85	269,266.88	430,721.39
			6,429.63	504.71	639.30	791.80	1,081.83	1,730.50
			49.54	3.89	4.93	6.10	8.34	13.33
49 009 Hillsboro 9	115.48	389.64	2,089,098.63	147,076.31	270,108.64	239,397.06	240,168.77	728,355.47
			5,361.61	377.47	693.23	614.41	616.39	1,869.30
			45.44	3.20	5.88	5.21	5.22	15.84
46 010 Hope 10	70.66	92.15	467,159.99	82,218.30	77,575.27	99,920.96	166,898.86	483,782.42
			5,069.56	892.22	841.84	1,084.33	1,811.17	5,249.94
			21.86	3.85	3.63	4.68	7.81	22.64
27 032 Horse Creek 32	.00	4.00	57,258.30	.00	9,950.91	.00	10,807.95	10,301.61
			14,314.58	.00	2,487.73	.00	2,701.99	2,575.40
			29.00	.00	5.04	.00	5.47	5.22
47 001 Jamestown 1	752.00	2,210.00	13,339,518.58	1,360,011.23	1,329,609.37	1,476,685.70	1,451,479.82	1,688,019.59
			6,035.98	615.39	601.63	668.18	656.78	763.81
			57.18	5.83	5.70	6.33	6.22	7.24
51 028 Kenmare 28	88.88	292.56	1,771,139.36	70,351.71	261,277.78	186,112.15	223,044.15	370,377.46
			6,053.94	240.47	893.07	636.15	762.39	1,265.99
			47.93	1.90	7.07	5.04	6.04	10.02
47 019 Kensal 19	11.20	35.02	402,143.05	.00	29,366.77	23,992.18	158,463.93	68,226.10
			11,483.24	.00	838.57	685.10	4,524.96	1,948.20
			49.11	.00	3.59	2.93	19.35	8.33
22 001 Kidder County 1	126.37	367.26	2,512,602.04	54,304.37	328,366.39	202,182.53	295,069.85	332,123.79
			6,841.48	147.86	894.10	550.52	803.44	904.33
			55.44	1.20	7.24	4.46	6.51	7.33
13 016 Killdeer 16	146.48	383.85	2,529,564.56	87,883.27	381,654.61	229,620.18	409,162.37	510,307.06
			6,589.98	228.95	994.28	598.20	1,065.94	1,329.44
			44.64	1.55	6.74	4.05	7.22	9.01
09 002 Kindred 2	228.44	675.44	3,008,279.50	63,009.36	309,632.44	259,270.50	307,987.12	819,958.14
			4,453.81	93.29	458.42	383.85	455.98	1,213.96
			50.11	1.05	5.16	4.32	5.13	13.66
23 007 Kulm 7	39.35	110.41	775,339.82	85,585.71	210,494.02	74,944.44	208,599.16	186,252.73
			7,022.37	775.16	1,906.48	678.78	1,889.31	1,686.92
			42.30	4.67	11.48	4.09	11.38	10.16
32 066 Lakota 66	66.75	201.39	1,038,732.78	124,331.57	123,091.47	195,940.75	161,432.71	227,429.82
			5,157.82	617.37	611.21	972.94	801.59	1,129.30
			42.29	5.06	5.01	7.98	6.57	9.26
23 008 LaMoure 8	87.98	293.98	1,340,432.92	191,380.54	368,213.47	215,761.97	717,967.59	460,100.24
			4,559.61	651.00	1,252.51	733.93	2,442.23	1,565.07
			34.84	4.97	9.57	5.61	18.66	11.96

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT			STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	FUND GROUP 1 TOTAL COST PER PUPIL	AVERAGE COST PER PUPIL
NUMBER	NAME								
01	013	Hettinger 13	151,256.75	.00	179,442.61	117,321.24	3,230,164.46	12,977.76	11,177.76
			607.70	.00	720.94	471.36			
			4.68	.00	5.56	3.63			
49	009	Hillsboro 9	270,367.21	49,682.12	164,835.85	398,065.44	4,597,155.50	11,798.47	9,532.40
			693.89	127.51	423.05	1,021.62			
			5.88	1.08	3.59	8.66			
46	010	Hope 10	169,049.86	.00	69,884.60	520,735.41	2,137,225.67	23,192.90	14,949.06
			1,834.51	.00	758.38	5,650.95			
			7.91	.00	3.27	24.37			
27	032	Horse Creek 32	24,548.06	.00	.00	84,603.16	197,469.99	49,367.50	22,079.69
			6,137.02	.00	.00	21,150.79			
			12.43	.00	.00	42.84			
47	001	Jamestown 1	519,763.26	.00	437,890.87	1,727,254.51	23,330,232.93	10,556.67	9,341.78
			235.19	.00	198.14	781.56			
			2.23	.00	1.88	7.40			
51	028	Kenmare 28	306,569.60	.00	134,880.27	371,547.80	3,695,300.28	12,630.91	9,852.01
			1,047.89	.00	461.03	1,269.99			
			8.30	.00	3.65	10.05			
47	019	Kensal 19	44,894.06	.00	22,013.10	69,762.13	818,861.32	23,382.68	19,480.07
			1,281.95	.00	628.59	1,992.07			
			5.48	.00	2.69	8.52			
22	001	Kidder County 1	582,084.58	.00	.00	225,694.24	4,532,427.79	12,341.20	10,141.72
			1,584.94	.00	.00	614.54			
			12.84	.00	.00	4.98			
13	016	Killdeer 16	452,915.92	.00	193,151.41	872,431.42	5,666,690.80	14,762.77	10,806.80
			1,179.93	.00	503.20	2,272.84			
			7.99	.00	3.41	15.40			
09	002	Kindred 2	372,034.90	.00	294,286.06	569,381.27	6,003,839.29	8,888.78	7,059.31
			550.80	.00	435.70	842.98			
			6.20	.00	4.90	9.48			
23	007	Kulm 7	144,113.94	.00	64,910.70	82,649.13	1,832,889.65	16,600.76	13,959.02
			1,305.26	.00	587.91	748.57			
			7.86	.00	3.54	4.51			
32	066	Lakota 66	287,688.06	.00	114,953.38	182,772.69	2,456,373.23	12,197.10	9,290.23
			1,428.51	.00	570.80	907.56			
			11.71	.00	4.68	7.44			
23	008	LaMoure 8	227,005.25	.00	118,513.33	207,815.25	3,847,190.56	13,086.57	11,204.36
			772.18	.00	403.13	706.90			
			5.90	.00	3.08	5.40			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
10 023 Langdon Area 23	142.44	359.12	2,164,543.40	239,609.20	187,984.68	184,277.26	269,771.02	768,359.68
			6,027.35	667.21	523.46	513.14	751.20	2,139.56
			46.72	5.17	4.06	3.98	5.82	16.59
18 044 Larimore 44	161.05	397.33	2,098,133.90	346,210.12	203,619.56	215,049.87	255,603.71	503,413.21
			5,280.58	871.34	512.47	541.24	643.30	1,266.99
			44.29	7.31	4.30	4.54	5.40	10.63
03 006 Leeds 6	50.12	149.74	1,122,562.37	1,163.70	97,380.39	77,451.62	161,001.79	156,505.67
			7,496.74	7.77	650.33	517.24	1,075.21	1,045.18
			56.27	.06	4.88	3.88	8.07	7.84
51 161 Lewis and Clark 161	122.63	373.67	2,067,548.34	226,414.45	340,872.39	192,918.00	373,814.52	495,194.12
			5,533.09	605.92	912.23	516.28	1,000.39	1,325.22
			45.44	4.98	7.49	4.24	8.22	10.88
39 028 Lidgerwood 28	46.84	169.71	1,051,966.29	157,617.37	98,800.41	108,480.17	198,965.65	170,028.40
			6,198.61	928.75	582.17	639.21	1,172.39	1,001.88
			51.38	7.70	4.83	5.30	9.72	8.30
15 036 Linton 36	116.00	309.68	1,583,275.24	145,636.41	211,401.78	141,120.36	186,780.82	596,303.66
			5,112.62	470.28	682.65	455.70	603.14	1,925.55
			47.34	4.35	6.32	4.22	5.58	17.83
37 019 Lisbon 19	201.41	604.83	3,091,940.07	231,652.22	540,056.98	293,827.76	365,149.10	537,425.37
			5,112.08	383.00	892.91	485.80	603.72	888.56
			48.59	3.64	8.49	4.62	5.74	8.45
02 046 Litchville-Marion 46	59.87	129.55	846,891.95	113,483.12	164,326.93	73,015.79	273,656.06	305,570.24
			6,537.18	875.98	1,268.44	563.61	2,112.36	2,358.71
			39.43	5.28	7.65	3.40	12.74	14.23
30 004 Little Heart 4	.00	13.54	87,748.85	3,751.56	32,024.28	.00	12,859.94	32,445.83
			6,480.71	277.07	2,365.16	.00	949.77	2,396.29
			35.43	1.51	12.93	.00	5.19	13.10
17 006 Lone Tree 6	.00	26.15	200,309.61	28,938.06	50,563.47	36,514.96	95,782.89	64,668.81
			7,660.02	1,106.62	1,933.59	1,396.37	3,662.83	2,472.99
			26.81	3.87	6.77	4.89	12.82	8.65
03 009 Maddock 9	62.13	155.36	1,033,760.92	22,488.41	174,373.67	112,465.52	192,014.16	253,421.08
			6,653.97	144.75	1,122.38	723.90	1,235.93	1,631.19
			49.24	1.07	8.31	5.36	9.15	12.07
30 001 Mandan 1	1,076.53	3,419.96	18,486,485.17	2,450,929.02	1,770,585.39	1,738,875.70	2,332,897.51	3,183,548.34
			5,405.47	716.65	517.72	508.45	682.14	930.87
			56.58	7.50	5.42	5.32	7.14	9.74
27 036 Mandaree 36	40.54	193.53	1,710,651.12	196,144.55	1,186,821.72	38,414.20	724,894.33	535,320.69
			8,839.20	1,013.51	6,132.49	198.49	3,745.64	2,766.09
			34.83	3.99	24.16	.78	14.76	10.90

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT	STUDENT	CAPITAL	EXTRA	ALL OTHER	TOTAL	FUND GROUP 1	AVERAGE
NUMBER NAME	TRANSPORTATION	PROJECTS	CURRICULAR	EXPENDITURES	EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
10 023 Langdon Area 23	395,980.48	.00	162,156.06	259,882.71	4,632,564.49	12,899.77	10,621.92
	1,102.64	.00	451.54	723.67			
	8.55	.00	3.50	5.61			
18 044 Larimore 44	294,907.06	.00	193,458.86	626,504.71	4,736,901.00	11,921.83	9,115.92
	742.22	.00	486.90	1,576.79			
	6.23	.00	4.08	13.23			
03 006 Leeds 6	129,480.03	.00	53,004.23	196,483.44	1,995,033.24	13,323.32	10,792.48
	864.70	.00	353.98	1,312.16			
	6.49	.00	2.66	9.85			
51 161 Lewis and Clark 161	564,550.28	.00	146,361.50	142,587.24	4,550,260.84	12,177.22	9,893.12
	1,510.83	.00	391.69	381.59			
	12.41	.00	3.22	3.13			
39 028 Lidgerwood 28	144,378.38	.00	4,957.64	112,245.40	2,047,439.71	12,064.34	10,523.00
	850.74	.00	29.21	661.40			
	7.05	.00	.24	5.48			
15 036 Linton 36	312,696.28	.00	140,156.88	27,190.31	3,344,561.74	10,800.06	9,249.93
	1,009.74	.00	452.59	87.80			
	9.35	.00	4.19	.81			
37 019 Lisbon 19	252,620.08	651,431.77	223,584.21	175,409.02	6,363,096.58	10,520.47	8,366.07
	417.67	1,077.05	369.66	290.01			
	3.97	10.24	3.51	2.76			
02 046 Litchville-Marion 46	240,464.19	.00	38,532.40	91,974.85	2,147,915.53	16,579.82	13,716.28
	1,856.15	.00	297.43	709.96			
	11.20	.00	1.79	4.28			
30 004 Little Heart 4	3,784.88	10.00	.00	75,062.67	247,688.01	18,293.06	12,469.01
	279.53	.74	.00	5,543.77			
	1.53	.00	.00	30.31			
17 006 Lone Tree 6	55,105.81	.00	13,122.77	202,267.13	747,273.51	28,576.42	18,232.42
	2,107.30	.00	501.83	7,734.88			
	7.37	.00	1.76	27.07			
03 009 Maddock 9	174,783.02	.00	72,873.45	63,040.38	2,099,220.61	13,511.98	11,512.13
	1,125.02	.00	469.06	405.77			
	8.33	.00	3.47	3.00			
30 001 Mandan 1	1,201,519.11	.00	813,562.54	694,274.31	32,672,677.09	9,553.53	8,761.31
	351.33	.00	237.89	203.01			
	3.68	.00	2.49	2.12			
27 036 Mandaree 36	199,743.16	264,340.87	38,658.11	16,564.32	4,911,553.07	25,378.77	22,695.43
	1,032.10	1,365.89	199.75	85.59			
	4.07	5.38	.79	.34			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
08 045 Manning 45	.00	10.06	45,550.80	.00	14,872.04	.00	7,472.93	4,028.57
			4,527.91	.00	1,478.33	.00	742.84	400.45
			30.62	.00	10.00	.00	5.02	2.71
18 125 Marvel 125	.00	149.70	769,845.33	1,826.19	71,146.76	81,988.83	96,294.16	81,429.67
			5,142.59	12.20	475.26	547.69	643.25	543.95
			40.34	.10	3.73	4.30	5.05	4.27
09 004 Maple Valley 4	69.58	218.49	1,481,568.31	14,359.76	256,322.60	128,011.57	343,044.31	386,581.76
			6,780.94	65.72	1,173.15	585.89	1,570.07	1,769.33
			42.14	.41	7.29	3.64	9.76	10.99
09 007 Mapleton 7	.00	83.87	655,954.77	26,838.88	51,043.39	94,479.43	41,732.25	74,085.41
			7,821.09	320.01	608.60	1,126.50	497.58	883.34
			44.92	1.84	3.50	6.47	2.86	5.07
44 012 Marmarth 12	.00	13.75	120,904.32	.00	33,733.35	.00	35,910.91	45,295.62
			8,793.04	.00	2,453.33	.00	2,611.70	3,294.23
			44.81	.00	12.50	.00	13.31	16.79
28 050 Max 50	65.65	191.52	1,003,637.01	91,573.91	181,677.90	71,868.58	229,894.28	225,889.18
			5,240.38	478.14	948.61	375.25	1,200.37	1,179.45
			45.81	4.18	8.29	3.28	10.49	10.31
49 014 May-Port CG 14	160.97	494.86	2,606,225.77	97,147.48	157,032.23	268,843.00	531,923.73	840,343.07
			5,266.59	196.31	317.33	543.27	1,074.90	1,698.14
			49.31	1.84	2.97	5.09	10.06	15.90
42 019 McClusky 19	25.00	79.62	765,042.45	.00	58,346.36	88,171.50	131,108.82	125,047.67
			9,608.67	.00	732.81	1,107.40	1,646.68	1,570.56
			55.76	.00	4.25	6.43	9.56	9.11
27 001 McKenzie Co 1	209.95	726.04	3,847,891.31	311,246.11	319,497.90	360,318.30	394,434.13	664,636.48
			5,299.83	428.69	440.06	496.28	543.27	915.43
			40.89	3.31	3.39	3.83	4.19	7.06
47 003 Medina 3	49.74	141.93	1,034,484.30	.00	125,905.90	.00	279,856.18	128,463.56
			7,288.69	.00	887.10	.00	1,971.79	905.12
			57.82	.00	7.04	.00	15.64	7.18
08 033 Menoken 33	.00	23.92	123,977.35	.00	34,561.56	.00	30,219.56	28,859.59
			5,183.00	.00	1,444.88	.00	1,263.36	1,206.50
			27.70	.00	7.72	.00	6.75	6.45
20 007 Midkota 7	43.24	126.51	920,676.90	20,208.20	111,554.12	115,235.38	277,537.83	274,337.05
			7,277.50	159.74	881.78	910.88	2,193.80	2,168.50
			41.77	.92	5.06	5.23	12.59	12.45
18 128 Midway 128	72.56	188.80	1,405,512.82	104,503.06	196,075.10	164,030.01	262,131.46	474,055.49
			7,444.45	553.51	1,038.53	868.80	1,388.41	2,510.89
			42.73	3.18	5.96	4.99	7.97	14.41

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT							FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES		TOTAL COST PER PUPIL	COST PER PUPIL
08 045 Manning 45	.00	.00	.00	76,819.39	148,743.73	14,785.66	7,149.54	
	.00	.00	.00	7,636.12				
	.00	.00	.00	51.65				
18 125 Manvel 125	157,823.06	.00	3,990.41	644,038.58	1,908,382.99	12,748.05	7,364.94	
	1,054.26	.00	26.66	4,302.19				
	8.27	.00	.21	33.75				
09 004 Maple Valley 4	372,734.23	.00	107,245.17	426,117.68	3,515,985.39	16,092.20	11,945.12	
	1,705.96	.00	490.85	1,950.28				
	10.60	.00	3.05	12.12				
09 007 Mapleton 7	12,361.78	.00	.00	503,829.48	1,460,325.39	17,411.77	11,257.11	
	147.39	.00	.00	6,007.27				
	.85	.00	.00	34.50				
44 012 Marmarth 12	5,413.20	.00	.00	28,540.00	269,797.40	19,621.63	17,152.31	
	393.69	.00	.00	2,075.64				
	2.01	.00	.00	10.58				
28 050 Max 50	300,064.89	.00	50,721.75	35,464.70	2,190,792.20	11,438.97	9,422.21	
	1,566.75	.00	264.84	185.17				
	13.70	.00	2.32	1.62				
49 014 May-Port CG 14	220,270.76	.00	113,431.35	450,309.63	5,285,527.02	10,680.85	9,096.54	
	445.12	.00	229.22	909.97				
	4.17	.00	2.15	8.52				
42 019 McClusky 19	85,480.96	.00	24,788.15	94,114.32	1,372,100.23	17,233.11	14,666.12	
	1,073.61	.00	311.33	1,182.04				
	6.23	.00	1.81	6.86				
27 001 McKenzie Co 1	2,210,306.03	759,207.34	200,290.63	343,409.11	9,411,237.34	12,962.42	8,123.55	
	3,044.33	1,045.68	275.87	472.99				
	23.49	8.07	2.13	3.65				
47 003 Medina 3	187,894.94	.00	.00	32,390.00	1,788,994.88	12,604.77	11,052.70	
	1,323.86	.00	.00	228.21				
	10.50	.00	.00	1.81				
08 033 Menoken 33	11,131.32	.00	.00	218,761.23	447,510.61	18,708.64	9,097.74	
	465.36	.00	.00	9,145.54				
	2.49	.00	.00	48.88				
20 007 Midkota 7	248,233.08	.00	64,765.13	171,380.50	2,203,928.19	17,420.98	13,592.20	
	1,962.16	.00	511.94	1,354.68				
	11.26	.00	2.94	7.78				
18 128 Midway 128	245,124.42	.00	73,237.77	364,373.03	3,289,043.16	17,420.78	13,804.60	
	1,298.33	.00	387.91	1,929.94				
	7.45	.00	2.23	11.08				

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
41 002 Milnor 2	67.66	220.30	1,479,557.28	99,121.41	239,151.33	159,142.25	325,809.23	167,577.06
			6,716.10	449.94	1,085.57	722.39	1,478.93	760.68
			55.21	3.70	8.92	5.94	12.16	6.25
03 005 Minnewaukan 5	54.03	252.01	2,208,845.61	.00	333,108.97	61,233.01	366,541.21	257,583.00
			8,764.91	.00	1,321.81	242.98	1,454.47	1,022.11
			58.28	.00	8.79	1.62	9.67	6.80
51 001 Minot 1	2,129.36	7,110.48	44,739,749.23	3,048,870.78	3,582,811.66	4,190,305.95	3,158,882.71	6,351,671.85
			6,292.09	428.79	503.88	589.31	444.26	893.28
			62.16	4.24	4.98	5.82	4.39	8.83
51 160 Minot AFB 160	.00	.00	.00	.00	256,980.15	.00	65,984.76	11,048.71
			.00	.00	.00	.00	.00	.00
			.00	.00	3.60	.00	.92	.15
50 020 Minto 20	62.40	198.73	1,173,164.72	128,487.43	130,717.54	125,584.87	150,818.55	275,106.39
			5,903.31	646.54	657.76	631.94	758.91	1,384.32
			52.00	5.69	5.79	5.57	6.68	12.19
38 001 Mohall-Lansford-Sherwood 1	104.89	352.38	1,958,541.35	79,572.99	271,037.06	183,682.26	356,064.69	750,940.39
			5,558.04	225.82	769.16	521.26	1,010.46	2,131.05
			41.20	1.67	5.70	3.86	7.49	15.80
47 014 Montpelier 14	38.14	105.37	616,436.63	50,602.27	72,181.61	53,562.75	116,833.68	128,408.46
			5,850.21	480.23	685.03	508.33	1,108.79	1,218.64
			47.35	3.89	5.54	4.11	8.97	9.86
21 001 Mott-Regent 1	64.20	223.71	1,322,374.57	66,004.20	199,269.03	210,495.21	162,167.83	638,229.80
			5,911.11	295.04	890.75	940.93	724.90	2,852.93
			37.94	1.89	5.72	6.04	4.65	18.31
40 004 Mt Pleasant 4	76.61	231.68	1,339,165.64	75,517.37	173,320.90	166,739.23	231,577.08	1,405,660.59
			5,780.24	325.96	748.10	719.70	999.56	6,067.25
			35.89	2.02	4.64	4.47	6.21	37.67
10 019 Munich 19	32.62	87.74	726,488.81	35,018.95	77,182.46	107,015.46	138,271.64	118,390.92
			8,280.02	399.12	879.67	1,219.69	1,575.92	1,349.34
			46.63	2.25	4.95	6.87	8.88	7.60
24 002 Napoleon 2	83.48	255.21	1,344,097.24	55,726.56	193,520.44	136,595.19	151,227.18	262,433.67
			5,266.63	218.36	758.28	535.23	592.56	1,028.30
			46.31	1.92	6.67	4.71	5.21	9.04
08 025 Naughton 25	.00	6.26	59,477.00	.00	14,923.61	.00	24,826.35	44,888.64
			9,501.12	.00	2,383.96	.00	3,965.87	7,170.71
			34.48	.00	8.65	.00	14.39	26.02
51 004 Nedrose 4	.00	225.96	1,160,860.57	170,990.18	104,787.39	.00	231,117.29	126,386.50
			5,137.46	756.73	463.74	.00	1,022.82	559.33
			40.20	5.92	3.63	.00	8.00	4.38

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT			STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	FUND GROUP 1 TOTAL COST PER PUPIL	AVERAGE COST PER PUPIL
NUMBER	NAME								
41	002	Milnor 2	87,286.56	.00	6,553.12	115,830.85	2,680,029.09	12,165.36	11,213.61
			396.22	.00	29.75	525.79			
			3.26	.00	.24	4.32			
03	005	Minnewaukan 5	439,439.66	.00	37,140.94	86,161.36	3,790,053.76	15,039.30	12,806.28
			1,743.74	.00	147.38	341.90			
			11.59	.00	.98	2.27			
51	001	Minot 1	1,169,835.40	685,271.42	1,521,667.00	3,520,921.34	71,969,987.34	10,121.68	9,151.60
			164.52	96.37	214.00	495.17			
			1.63	.95	2.11	4.89			
51	160	Minot AFB 160	154,340.22	.00	.00	6,653,954.64	7,142,308.48	.00	.00
			.00	.00	.00	.00			
			2.16	.00	.00	93.16			
50	020	Minto 20	102,547.31	.00	.00	169,784.77	2,256,211.58	11,353.15	9,982.79
			516.01	.00	.00	854.35			
			4.55	.00	.00	7.53			
38	001	Mohall-Lansford-Sherwood 1	346,259.86	302,214.00	188,779.83	316,208.60	4,753,301.03	13,489.13	10,215.79
			982.63	857.64	535.73	897.35			
			7.28	6.36	3.97	6.65			
47	014	Montpelier 14	140,897.75	.00	23,373.69	99,594.08	1,301,890.92	12,355.42	9,851.24
			1,337.17	.00	221.82	945.18			
			10.82	.00	1.80	7.65			
21	001	Mott-Regent 1	286,221.88	.00	202,054.55	398,837.67	3,485,654.74	15,581.13	11,615.67
			1,279.43	.00	903.20	1,782.83			
			8.21	.00	5.80	11.44			
40	004	Mt Pleasant 4	190,253.10	.00	79,050.13	70,161.38	3,731,445.42	16,106.03	14,640.80
			821.19	.00	341.20	302.84			
			5.10	.00	2.12	1.88			
10	019	Munich 19	159,436.92	.00	37,941.15	158,178.40	1,557,924.71	17,756.15	13,703.76
			1,817.15	.00	432.43	1,802.81			
			10.23	.00	2.44	10.15			
24	002	Napoleon 2	222,967.17	358,926.00	76,233.90	100,887.13	2,902,614.48	11,373.44	8,399.36
			873.66	1,406.39	298.71	395.31			
			7.68	12.37	2.63	3.48			
08	025	Naughton 25	.00	.00	.00	28,370.08	172,485.68	27,553.62	23,021.66
			.00	.00	.00	4,531.96			
			.00	.00	.00	16.45			
51	004	Nedrose 4	145,937.64	20,260.54	31,397.73	895,753.65	2,887,491.49	12,778.77	7,940.09
			645.86	89.66	138.95	3,964.21			
			5.05	.70	1.09	31.02			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
53 002 Nesson 2	85.59	249.77	1,230,077.70	64,317.56	348,538.65	133,474.21	241,310.45	194,517.53
			4,924.84	257.51	1,395.44	534.39	966.13	778.79
			43.94	2.30	12.45	4.77	8.62	6.95
53 008 New 8	.00	207.29	1,342,519.30	.00	86,599.70	88,456.33	481,729.55	349,483.66
			6,476.53	.00	417.77	426.73	2,323.94	1,685.96
			39.06	.00	2.52	2.57	14.02	10.17
21 009 New England 9	59.15	183.58	1,094,092.81	46,570.29	219,730.17	83,503.92	179,087.57	888,044.91
			5,959.76	253.68	1,196.92	454.86	975.53	4,837.37
			39.14	1.67	7.86	2.99	6.41	31.77
14 002 New Rockford-Sheyenne 2	115.00	324.00	1,628,141.80	132,825.35	232,424.83	191,801.41	354,787.95	256,804.18
			5,025.13	409.95	717.36	591.98	1,095.02	792.61
			46.15	3.76	6.59	5.44	10.06	7.28
30 049 New Salem-Almont 49	107.69	309.04	1,539,762.62	15,026.95	630,164.27	159,605.08	235,893.32	382,908.19
			4,982.41	48.62	2,039.10	516.45	763.31	1,239.02
			44.45	.43	18.19	4.61	6.81	11.05
31 001 New Town 1	176.13	753.80	3,847,703.51	556,653.74	1,068,007.67	452,559.05	832,220.97	632,241.70
			5,104.41	738.46	1,416.83	600.37	1,104.03	838.74
			30.89	4.47	8.57	3.63	6.68	5.08
05 054 Newburg-United 54	21.57	53.06	631,792.12	23,593.01	121,155.49	78,094.56	134,353.47	127,083.55
			11,907.13	444.65	2,283.37	1,471.82	2,532.10	2,395.09
			46.56	1.74	8.93	5.76	9.90	9.37
34 100 North Border 100	139.13	438.64	2,902,953.76	.00	318,232.21	322,739.18	417,794.65	879,674.01
			6,618.08	.00	725.50	735.77	952.48	2,005.46
			44.81	.00	4.91	4.98	6.45	13.58
48 028 North Central 28	.00	.00	.00	.00	.00	.00	251,445.95	36,129.86
			.00	.00	.00	.00	.00	.00
			.00	.00	.00	.00	37.71	5.42
41 003 North Sargent 3	75.67	224.68	1,072,258.70	103,245.53	200,437.12	182,925.88	227,107.56	232,820.47
			4,772.38	459.52	892.10	814.16	1,010.80	1,036.23
			42.61	4.10	7.96	7.27	9.02	9.25
48 010 North Star 10	89.60	261.85	1,472,957.45	55,519.40	258,603.21	158,262.72	232,858.66	265,815.98
			5,625.20	212.03	987.60	604.40	889.28	1,015.15
			49.62	1.87	8.71	5.33	7.84	8.95
09 097 Northern Cass 97	168.44	555.39	2,252,275.14	277,548.60	261,683.02	237,330.22	282,250.49	738,621.30
			4,055.30	499.74	471.17	427.32	508.20	1,329.91
			44.27	5.46	5.14	4.66	5.55	14.52
18 129 Northwood 129	83.61	254.48	1,235,762.84	60,921.24	176,620.90	150,417.77	177,075.63	597,491.04
			4,856.03	239.40	694.05	591.08	695.83	2,347.89
			40.24	1.98	5.75	4.90	5.77	19.46

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT			STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	FUND GROUP 1 TOTAL COST PER PUPIL	AVERAGE COST PER PUPIL
NUMBER	NAME								
53	002	Nesson 2	480,643.15	.00	81,653.58	25,136.63	2,799,669.46	11,208.99	8,857.09
			1,924.34	.00	326.92	100.64			
			17.17	.00	2.92	.90			
53	008	New 8	469,083.73	.00	11,308.31	607,709.66	3,436,890.24	16,580.11	11,330.93
			2,262.93	.00	54.55	2,931.69			
			13.65	.00	.33	17.68			
21	009	New England 9	142,091.84	.00	101,183.31	40,730.66	2,795,035.48	15,225.16	13,678.12
			774.01	.00	551.17	221.87			
			5.08	.00	3.62	1.46			
14	002	New Rockford-Sheyenne 2	248,271.19	8,500.00	136,206.68	338,455.80	3,528,219.19	10,889.57	8,632.05
			766.27	26.23	420.39	1,044.62			
			7.04	.24	3.86	9.59			
30	049	New Salem-Almont 49	297,586.29	.00	129,592.62	73,828.55	3,464,367.89	11,210.10	9,588.92
			962.94	.00	419.34	238.90			
			8.59	.00	3.74	2.13			
31	001	New Town 1	412,471.61	967,389.64	318,135.11	3,367,727.47	12,455,110.47	16,523.10	9,802.85
			547.19	1,283.35	422.04	4,467.67			
			3.31	7.77	2.55	27.04			
05	054	Newburg-United 54	93,329.24	.00	43,309.87	104,110.64	1,356,821.95	25,571.47	21,034.15
			1,758.94	.00	816.24	1,962.13			
			6.88	.00	3.19	7.67			
34	100	North Border 100	260,954.65	275,013.00	172,441.04	928,317.62	6,478,120.12	14,768.65	11,037.28
			594.92	626.97	393.13	2,116.35			
			4.03	4.25	2.66	14.33			
48	028	North Central 28	.00	.00	.00	379,237.88	666,813.69	.00	.00
			.00	.00	.00	.00			
			.00	.00	.00	56.87			
41	003	North Sargent 3	311,907.22	.00	99,777.90	86,227.10	2,516,707.48	11,201.30	8,985.20
			1,388.23	.00	444.09	383.78			
			12.39	.00	3.96	3.43			
48	010	North Star 10	135,851.92	.00	85,323.05	303,246.15	2,968,438.54	11,336.41	9,333.65
			518.82	.00	325.85	1,158.09			
			4.58	.00	2.87	10.22			
09	097	Northern Cass 97	476,025.35	.00	184,714.45	377,126.62	5,087,575.19	9,160.37	7,291.65
			857.10	.00	332.59	679.03			
			9.36	.00	3.63	7.41			
18	129	Northwood 129	228,868.94	.00	81,870.03	361,662.24	3,070,690.63	12,066.53	9,424.27
			899.36	.00	321.71	1,421.18			
			7.45	.00	2.67	11.78			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
11 041 Oakes 41	194.45	511.07	1,667,083.64	254,186.36	327,722.86	228,564.75	307,211.48	512,556.25
			3,261.95	497.36	641.25	447.23	601.11	1,002.91
			31.11	4.74	6.12	4.27	5.73	9.57
03 016 Oberon 16	.00	50.65	445,895.86	.00	109,811.87	43,685.45	81,288.87	55,031.88
			8,803.47	.00	2,168.05	862.50	1,604.91	1,086.51
			41.29	.00	10.17	4.05	7.53	5.10
09 080 Page 80	.00	76.72	600,315.22	77,846.61	142,555.51	41,927.11	138,671.37	161,012.15
			7,824.76	1,014.68	1,858.13	546.50	1,807.50	2,098.70
			32.84	4.26	7.80	2.29	7.58	8.81
50 078 Park River 78	126.73	400.47	1,862,230.07	155,161.11	157,503.56	189,562.26	245,411.81	740,055.66
			4,650.11	387.45	393.30	473.35	612.81	1,847.97
			44.50	3.71	3.76	4.53	5.86	17.68
31 003 Parshall 3	74.00	271.04	1,762,539.75	110,029.34	466,058.39	190,813.73	415,230.64	464,421.77
			6,502.88	405.95	1,719.52	704.01	1,531.99	1,713.48
			39.03	2.44	10.32	4.23	9.20	10.28
47 010 Pingree-Buchanan 10	43.59	154.99	879,904.86	.00	121,654.78	17,767.12	159,068.44	279,427.66
			5,677.17	.00	784.92	114.63	1,026.31	1,802.88
			48.63	.00	6.72	.98	8.79	15.44
52 035 Pleasant Valley 35	.00	7.00	100,195.45	2,525.51	10,784.03	.00	27,654.29	38,091.66
			14,313.64	360.79	1,540.58	.00	3,950.61	5,441.67
			40.47	1.02	4.36	.00	11.17	15.39
07 027 Powers Lake 27	34.65	118.62	887,732.00	.00	201,924.09	38,799.17	186,762.64	152,111.25
			7,483.83	.00	1,702.28	327.09	1,574.46	1,282.34
			49.33	.00	11.22	2.16	10.38	8.45
45 034 Richardton-Taylor 34	83.18	266.74	1,619,021.42	39,366.60	269,675.12	174,569.50	342,131.10	254,278.18
			6,069.66	147.58	1,011.00	654.46	1,282.64	953.28
			48.39	1.18	8.06	5.22	10.23	7.60
39 044 Richland 44	87.90	284.90	1,508,835.53	82,007.30	214,910.65	183,199.06	239,808.83	266,970.26
			5,296.02	287.85	754.34	643.03	841.73	937.07
			49.98	2.72	7.12	6.07	7.94	8.84
22 014 Robinson 14	.00	6.00	80,328.83	840.00	43,356.26	.00	36,085.11	56,659.57
			13,388.14	140.00	7,226.04	.00	6,014.19	9,443.26
			27.44	.29	14.81	.00	12.33	19.36
40 029 Rolette 29	46.00	155.93	988,012.01	21,619.71	170,650.00	139,369.62	103,912.40	167,660.98
			6,336.25	138.65	1,094.40	893.80	666.40	1,075.23
			52.25	1.14	9.02	7.37	5.49	8.87
19 018 Roosevelt 18	.00	107.84	469,316.36	24,162.48	64,754.44	79,552.39	172,286.39	171,445.99
			4,351.97	224.06	600.47	737.69	1,597.61	1,589.82
			30.95	1.59	4.27	5.25	11.36	11.31

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
11 041 Oakes 41	270,241.78	1,030,142.78	42,115.00	718,161.34	5,357,986.24	10,483.86	6,451.81
	528.78	2,015.66	82.41	1,405.21			
	5.04	19.23	.79	13.40			
03 016 Oberon 16	156,349.11	.00	1,331.80	186,454.47	1,079,849.31	21,319.83	14,525.45
	3,086.85	.00	26.29	3,681.23			
	14.48	.00	.12	17.27			
09 080 Page 80	147,524.66	.00	70,475.80	447,936.87	1,828,265.30	23,830.36	15,150.26
	1,922.90	.00	918.61	5,838.59			
	8.07	.00	3.85	24.50			
50 078 Park River 78	245,245.05	4,000.00	130,920.68	455,077.17	4,185,167.37	10,450.64	8,364.98
	612.39	9.99	326.92	1,136.36			
	5.86	.10	3.13	10.87			
31 003 Parshall 3	319,117.62	669,288.32	118,327.63	.00	4,515,827.19	16,661.11	12,577.82
	1,177.38	2,469.33	436.57	.00			
	7.07	14.82	2.62	.00			
47 010 Pingree-Buchanan 10	128,673.66	.00	45,332.08	177,570.62	1,809,399.22	11,674.30	9,405.92
	830.21	.00	292.48	1,145.69			
	7.11	.00	2.51	9.81			
52 035 Pleasant Valley 35	17,879.06	.00	.00	50,430.69	247,560.69	35,365.81	25,607.28
	2,554.15	.00	.00	7,204.38			
	7.22	.00	.00	20.37			
07 027 Powers Lake 27	229,585.58	50,000.00	42,447.80	10,144.99	1,799,507.52	15,170.36	12,370.00
	1,935.47	421.51	357.85	85.53			
	12.76	2.78	2.36	.56			
45 034 Richardton-Taylor 34	240,155.03	.00	189,054.74	217,427.88	3,345,679.57	12,542.85	10,118.62
	900.33	.00	708.76	815.13			
	7.18	.00	5.65	6.50			
39 044 Richland 44	249,146.11	.00	103,289.75	170,688.34	3,018,855.83	10,596.19	8,760.03
	874.50	.00	362.55	599.12			
	8.25	.00	3.42	5.65			
22 014 Robinson 14	16,163.77	.00	.00	59,269.94	292,703.48	48,783.91	36,211.63
	2,693.96	.00	.00	9,878.32			
	5.52	.00	.00	20.25			
40 029 Rolette 29	138,256.74	.00	99,367.84	62,249.76	1,891,099.06	12,127.87	10,204.74
	886.66	.00	637.26	399.22			
	7.31	.00	5.25	3.29			
19 018 Roosevelt 18	184,648.58	.00	34,499.92	315,661.76	1,516,328.31	14,060.91	9,101.61
	1,712.25	.00	319.92	2,927.13			
	12.18	.00	2.28	20.82			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
35 005 Rugby 5	188.89	558.70	2,903,756.01	461,874.99	365,295.40	259,543.23	433,038.06	473,502.86
			5,197.34	826.70	653.83	464.55	775.08	847.51
			42.75	6.80	5.38	3.82	6.38	6.97
41 006 Sargent Central 6	86.36	219.49	1,382,633.65	58,224.15	138,118.62	174,667.04	409,837.45	538,719.00
			6,299.30	265.27	629.27	795.79	1,867.23	2,454.41
			42.85	1.80	4.28	5.41	12.70	16.70
51 016 Sawyer 16	40.48	130.17	852,010.00	52,657.42	168,979.41	74,458.41	135,606.15	151,983.26
			6,545.36	404.53	1,298.14	572.01	1,041.76	1,167.58
			47.89	2.96	9.50	4.19	7.62	8.54
06 033 Scranton 33	41.54	119.95	916,800.74	23,328.98	110,741.81	123,512.72	166,098.32	228,014.15
			7,643.19	194.49	923.23	1,029.70	1,384.73	1,900.91
			47.22	1.20	5.70	6.36	8.56	11.74
43 008 Selfridge 8	12.50	70.77	805,276.76	46,647.13	182,984.42	9,222.25	162,129.95	104,244.98
			11,378.79	659.14	2,585.62	130.31	2,290.94	1,473.01
			54.87	3.18	12.47	.63	11.05	7.10
43 003 Solen 3	40.42	184.95	1,619,682.06	192,876.36	319,158.05	235,311.27	403,608.92	212,268.62
			8,757.41	1,042.86	1,725.65	1,272.30	2,182.26	1,147.71
			42.35	5.04	8.34	6.15	10.55	5.55
45 009 South Heart 9	73.15	242.86	1,337,873.97	10,301.39	342,386.18	124,798.62	171,893.68	395,437.58
			5,508.83	42.42	1,409.81	513.87	707.79	1,628.25
			49.12	.38	12.57	4.58	6.31	14.52
51 070 South Prairie 70	.00	173.05	967,136.13	10,042.45	100,312.24	75,970.36	140,131.73	120,372.96
			5,588.77	58.03	579.67	439.01	809.78	695.60
			39.55	.41	4.10	3.11	5.73	4.92
40 003 St John 3	109.51	360.15	2,320,401.40	94,961.98	455,559.94	176,572.98	346,490.23	551,449.00
			6,442.87	263.67	1,264.92	490.28	962.07	1,531.16
			48.41	1.98	9.50	3.68	7.23	11.50
34 043 St Thomas 43	30.70	64.07	731,841.08	.00	40,365.29	161,250.97	156,603.67	122,380.19
			11,422.52	.00	630.02	2,516.79	2,444.26	1,910.10
			50.06	.00	2.76	11.03	10.71	8.37
31 002 Stanley 2	166.07	543.93	2,948,784.43	181,086.08	618,001.18	318,359.24	467,557.93	432,888.98
			5,421.26	332.92	1,136.18	585.29	859.59	795.85
			45.03	2.77	9.44	4.86	7.14	6.61
36 044 Starkweather 44	19.00	72.75	571,164.69	53,872.99	54,624.84	51,926.79	134,446.90	114,371.79
			7,851.06	740.52	750.86	713.77	1,848.07	1,572.12
			46.72	4.41	4.47	4.25	11.00	9.36
08 035 Sterling 35	.00	28.00	182,651.59	.00	49,799.64	46,458.15	30,750.10	43,536.89
			6,523.27	.00	1,778.56	1,659.22	1,098.22	1,554.89
			29.37	.00	8.01	7.47	4.94	7.00

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT	STUDENT	CAPITAL	EXTRA	ALL OTHER	TOTAL	FUND GROUP 1	AVERAGE
NUMBER NAME	TRANSPORTATION	PROJECTS	CURRICULAR	EXPENDITURES	EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
35 005 Rugby 5	429,756.88	1,027,227.00	276,812.64	161,596.58	6,792,403.65	12,157.52	8,765.01
	769.21	1,838.60	495.46	289.24			
	6.33	15.12	4.08	2.38			
41 006 Sargent Central 6	237,650.74	.00	.00	286,684.15	3,226,534.80	14,700.14	12,311.27
	1,082.74	.00	.00	1,306.14			
	7.37	.00	.00	8.89			
51 016 Sawyer 16	106,230.16	.00	84,617.95	152,377.78	1,778,920.54	13,666.13	11,029.38
	816.09	.00	650.06	1,170.61			
	5.97	.00	4.76	8.57			
06 033 Scranton 33	211,358.14	.00	160,367.29	1,200.00	1,941,422.15	16,185.26	13,076.25
	1,762.05	.00	1,336.95	10.00			
	10.89	.00	8.26	.06			
43 008 Selfridge 8	104,799.70	.00	7,325.43	45,032.95	1,467,663.57	20,738.50	18,517.81
	1,480.85	.00	103.51	636.33			
	7.14	.00	.50	3.07			
43 003 Solen 3	244,063.81	198,576.33	81,091.01	317,998.26	3,824,634.69	20,679.29	16,128.17
	1,319.62	1,073.68	438.45	1,719.37			
	6.38	5.19	2.12	8.31			
45 009 South Heart 9	237,654.98	.00	80,313.04	22,956.68	2,723,616.12	11,214.76	9,810.97
	978.57	.00	330.70	94.53			
	8.73	.00	2.95	.84			
51 070 South Prairie 70	197,189.23	142,453.74	23,405.82	668,280.93	2,445,295.59	14,130.57	8,170.85
	1,139.49	823.19	135.25	3,861.78			
	8.06	5.83	.96	27.33			
40 003 St John 3	375,489.89	195,089.57	149,657.27	127,457.62	4,793,129.88	13,308.70	10,954.98
	1,042.59	541.69	415.54	353.90			
	7.83	4.07	3.12	2.66			
34 043 St Thomas 43	19,311.18	.00	31,492.58	198,724.29	1,461,969.25	22,818.31	18,923.70
	301.41	.00	491.53	3,101.67			
	1.32	.00	2.15	13.59			
31 002 Stanley 2	603,397.81	749,010.46	183,931.88	44,963.48	6,547,981.47	12,038.28	9,131.10
	1,109.33	1,377.03	338.15	82.66			
	9.22	11.44	2.81	.69			
36 044 Starkweather 44	90,314.88	.00	25,813.58	126,036.48	1,222,572.94	16,805.13	13,476.40
	1,241.44	.00	354.83	1,732.46			
	7.39	.00	2.11	10.31			
08 035 Sterling 35	73,529.63	.00	4,034.24	191,207.09	621,967.33	22,213.12	12,614.16
	2,626.06	.00	144.08	6,828.82			
	11.82	.00	.65	30.74			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
15 015 Strasburg 15	61.87	146.53	856,109.72	20,420.23	135,317.23	68,713.52	156,316.82	174,937.24
			5,842.56	139.36	923.48	468.94	1,066.79	1,193.87
			50.00	1.19	7.90	4.01	9.13	10.22
51 041 Surrey 41	141.26	373.66	2,019,179.29	143,931.55	144,155.58	146,280.03	349,772.68	305,051.85
			5,403.79	385.19	385.79	391.48	936.07	816.39
			56.62	4.04	4.04	4.10	9.81	8.55
30 017 Sweet Briar 17	.00	9.95	69,033.55	.00	14,564.00	.00	11,849.41	6,804.56
			6,938.05	.00	1,463.72	.00	1,190.90	683.88
			57.81	.00	12.20	.00	9.92	5.70
25 060 TGU 60	102.29	318.42	2,615,157.34	133,825.14	225,461.35	227,139.20	406,342.09	383,201.63
			8,212.92	420.28	708.06	713.33	1,276.12	1,203.45
			55.13	2.82	4.75	4.79	8.57	8.08
18 061 Thompson 61	132.02	437.52	1,721,501.19	130,872.23	229,811.48	197,035.22	278,175.89	690,631.88
			3,934.68	299.12	525.26	450.35	635.80	1,578.51
			42.13	3.20	5.62	4.82	6.81	16.90
53 015 Tioga 15	119.28	324.39	2,121,465.18	.00	369,286.25	208,547.36	207,148.39	586,932.45
			6,539.86	.00	1,138.40	642.89	638.58	1,809.34
			50.15	.00	8.73	4.93	4.90	13.87
28 072 Turtle Lake-Mercer 72	47.59	163.08	969,509.22	103,323.88	202,574.68	77,167.18	258,587.39	282,582.61
			5,944.99	633.58	1,242.18	473.19	1,585.65	1,732.79
			43.87	4.68	9.17	3.49	11.70	12.79
13 037 Twin Buttes 37	.00	37.37	531,573.53	87,199.36	121,527.26	112,301.07	273,589.93	304,925.45
			14,224.61	2,333.41	3,252.00	3,005.11	7,321.11	8,159.63
			28.01	4.59	6.40	5.92	14.41	16.07
28 008 Underwood 8	52.08	188.29	1,282,410.21	78,451.75	108,863.74	182,769.20	232,297.61	499,928.46
			6,810.82	416.65	578.17	970.68	1,233.72	2,655.10
			46.51	2.85	3.95	6.63	8.42	18.13
51 007 United 7	161.59	574.47	3,004,444.31	70,629.45	253,327.65	326,954.40	387,436.85	561,466.31
			5,229.94	122.95	440.98	569.14	674.42	977.36
			54.12	1.27	4.56	5.89	6.98	10.11
02 002 Valley City 2	369.34	1,135.16	6,216,108.49	786,048.61	590,412.44	502,114.09	558,858.07	846,783.97
			5,475.98	692.46	520.11	442.33	492.32	745.96
			55.51	7.02	5.27	4.48	4.99	7.56
34 118 Valley-Edinburg 118	67.09	220.43	1,437,049.94	28,388.92	190,526.10	154,294.69	310,495.98	526,748.41
			6,519.30	128.79	864.34	699.97	1,408.59	2,389.64
			43.60	.86	5.78	4.68	9.42	15.98
25 001 Velva 1	116.81	376.55	2,214,113.90	129,563.09	267,409.22	227,669.28	217,502.31	309,952.73
			5,880.00	344.08	710.16	604.62	577.62	823.14
			57.88	3.39	6.99	5.95	5.69	8.10

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT	STUDENT	CAPITAL	EXTRA	ALL OTHER	TOTAL	FUND GROUP 1	AVERAGE
NUMBER NAME	TRANSPORTATION	PROJECTS	CURRICULAR	EXPENDITURES	EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
15 015 Strasburg 15	153,686.73	.00	77,688.13	69,096.27	1,712,285.89	11,685.57	9,634.99
	1,048.84	.00	530.19	471.55			
	8.98	.00	4.54	4.04			
51 041 Surrey 41	199,692.57	.00	109,011.13	149,260.82	3,566,335.50	9,544.33	8,318.71
	534.42	.00	291.74	399.46			
	5.60	.00	3.06	4.19			
30 017 Sweet Briar 17	.00	.00	.00	17,155.27	119,406.79	12,000.68	10,276.53
	.00	.00	.00	1,724.15			
	.00	.00	.00	14.37			
25 060 TGU 60	512,280.58	8,000.00	105,491.54	127,079.03	4,743,977.90	14,898.49	12,534.16
	1,608.82	25.12	331.30	399.09			
	10.80	.17	2.22	2.68			
18 061 Thompson 61	238,319.00	.00	125,319.67	474,281.74	4,085,948.30	9,338.88	7,423.72
	544.70	.00	286.43	1,084.02			
	5.83	.00	3.07	11.61			
53 015 Tioga 15	320,756.77	66,350.14	8,496.27	341,497.06	4,230,479.87	13,041.34	10,769.07
	988.80	204.54	26.19	1,052.74			
	7.58	1.57	.20	8.07			
28 072 Turtle Lake-Mercer 72	204,829.95	.00	62,569.36	48,839.90	2,209,984.17	13,551.53	11,612.37
	1,256.01	.00	383.67	299.48			
	9.27	.00	2.83	2.21			
13 037 Twin Buttes 37	202,058.55	.00	10,201.30	254,607.22	1,897,983.67	50,788.97	38,295.87
	5,406.97	.00	272.98	6,813.14			
	10.65	.00	.54	13.41			
28 008 Underwood 8	202,456.80	.00	100,941.28	69,311.76	2,757,430.81	14,644.60	12,665.15
	1,075.24	.00	536.09	368.11			
	7.34	.00	3.66	2.51			
51 007 United 7	359,118.70	.00	136,589.78	451,580.36	5,551,547.81	9,663.77	8,014.79
	625.13	.00	237.77	786.08			
	6.47	.00	2.46	8.13			
02 002 Valley City 2	272,428.59	.00	407,297.06	1,017,283.62	11,197,334.94	9,864.10	8,369.15
	239.99	.00	358.80	896.16			
	2.43	.00	3.64	9.09			
34 118 Valley-Edinburg 118	250,294.96	.00	61,370.75	336,979.06	3,296,148.81	14,953.27	12,010.63
	1,135.49	.00	278.41	1,528.74			
	7.59	.00	1.86	10.22			
25 001 Velva 1	284,166.00	.00	175,175.69	.00	3,825,552.22	10,159.48	8,939.61
	754.66	.00	465.21	.00			
	7.43	.00	4.58	.00			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
39 037 Wahpeton 37	416.07	1,251.03	6,860,484.60	562,903.46	662,991.77	647,575.21	904,419.02	925,713.05
			5,483.87	449.95	529.96	517.63	722.94	739.96
			56.25	4.62	5.44	5.31	7.42	7.59
03 029 Warwick 29	64.20	271.98	2,493,418.99	136,560.73	422,402.30	246,018.30	278,469.19	298,132.23
			9,167.66	502.10	1,553.06	904.55	1,023.86	1,096.15
			50.43	2.76	8.54	4.98	5.63	6.03
28 004 Washburn 4	81.49	274.72	1,316,173.25	89,065.98	265,307.93	172,233.58	213,762.33	341,726.04
			4,790.96	324.21	965.74	626.94	778.11	1,243.91
			43.83	2.97	8.83	5.74	7.12	11.38
09 006 West Fargo 6	2,119.04	7,719.48	41,238,550.14	7,233,704.43	5,594,431.32	3,839,384.27	2,457,436.18	4,893,711.64
			5,342.14	937.07	724.72	497.36	318.34	633.94
			57.60	10.10	7.81	5.36	3.43	6.84
05 017 Westhope 17	52.56	127.51	809,677.36	45,543.59	103,267.55	51,211.93	220,092.93	300,186.60
			6,349.91	357.18	809.88	401.63	1,726.08	2,354.22
			45.07	2.54	5.75	2.85	12.25	16.71
28 085 White Shield 85	32.50	101.37	523,128.18	.00	478,148.25	67,389.81	198,572.46	14,647.25
			5,160.58	.00	4,716.86	664.79	1,958.89	144.49
			34.66	.00	31.68	4.47	13.16	.97
53 001 Williston 1	832.26	2,685.51	13,131,173.15	1,170,793.20	1,542,525.63	1,429,060.84	1,254,403.95	2,443,333.90
			4,889.64	435.97	574.39	532.14	467.10	909.82
			53.03	4.73	6.23	5.77	5.07	9.87
28 001 Wilton 1	70.18	207.95	954,847.78	155,861.55	264,568.11	88,394.85	421,525.03	300,990.45
			4,591.72	749.51	1,272.27	425.08	2,027.05	1,447.42
			34.07	5.56	9.44	3.15	15.04	10.74
08 028 Wing 28	26.51	109.02	743,933.32	.00	77,298.58	8,622.57	141,258.02	94,905.65
			6,823.82	.00	709.03	79.09	1,295.71	870.53
			58.37	.00	6.06	.68	11.08	7.45
26 019 Wishek 19	69.87	202.32	1,080,487.23	102,567.91	153,566.31	105,951.32	167,268.99	455,236.38
			5,340.49	506.96	759.03	523.68	826.75	2,250.08
			44.22	4.20	6.29	4.34	6.85	18.63
35 001 Wolford 1	15.44	45.08	480,692.65	4,369.35	50,362.02	11,813.12	108,378.64	117,837.32
			10,663.10	96.92	1,117.17	262.05	2,404.14	2,613.96
			54.92	.50	5.75	1.35	12.38	13.46
39 042 Wyndmere 42	68.77	217.80	1,219,569.16	117,927.68	220,199.15	191,764.52	275,195.79	371,560.70
			5,599.49	541.45	1,011.02	880.46	1,263.53	1,705.97
			44.24	4.28	7.99	6.96	9.98	13.48
27 014 Yellowstone 14	.00	62.73	433,645.99	13,010.52	46,313.29	.00	163,137.56	85,269.24
			6,912.90	207.41	738.30	.00	2,600.63	1,359.31
			35.60	1.07	3.80	.00	13.39	7.00

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT						FUND GROUP 1	AVERAGE
NUMBER NAME	STUDENT TRANSPORTATION	CAPITAL PROJECTS	EXTRA CURRICULAR	ALL OTHER EXPENDITURES	TOTAL EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
39 037 Wahpeton 37	440,554.53	.00	504,610.34	687,760.86	12,197,012.84	9,749.58	8,444.31
	352.15	.00	403.36	549.76			
	3.61	.00	4.14	5.64			
03 029 Warwick 29	419,527.48	.00	92,960.73	556,590.13	4,944,080.08	18,178.10	14,247.38
	1,542.49	.00	341.79	2,046.44			
	8.49	.00	1.88	11.26			
28 004 Washburn 4	171,241.70	305,637.81	93,402.57	34,635.05	3,003,186.24	10,931.81	8,729.87
	623.33	1,112.54	339.99	126.07			
	5.70	10.18	3.11	1.15			
09 006 West Fargo 6	3,042,804.35	852,242.87	200,538.34	2,240,973.76	71,593,777.30	9,274.43	8,453.58
	394.17	110.40	25.98	290.30			
	4.25	1.19	.28	3.13			
05 017 Westhope 17	91,773.80	.00	72,887.16	101,800.88	1,796,441.80	14,088.63	11,998.90
	719.74	.00	571.62	798.38			
	5.11	.00	4.06	5.67			
28 085 White Shield 85	4,604.00	.00	91,409.70	131,237.77	1,509,137.42	14,887.42	12,645.61
	45.42	.00	901.74	1,294.64			
	.31	.00	6.06	8.70			
53 001 Williston 1	169,491.26	34,790.00	549,236.19	3,036,616.03	24,761,424.15	9,220.38	7,809.05
	63.11	12.95	204.52	1,130.74			
	.68	.14	2.22	12.26			
28 001 Wilton 1	320,448.98	.00	83,129.83	213,171.86	2,802,938.44	13,478.91	10,513.05
	1,540.99	.00	399.76	1,025.11			
	11.43	.00	2.97	7.61			
08 028 Wing 28	183,359.63	.00	.00	25,183.02	1,274,560.79	11,691.07	9,778.19
	1,681.89	.00	.00	230.99			
	14.39	.00	.00	1.98			
26 019 Wishek 19	206,453.92	.00	124,989.46	46,685.16	2,443,206.68	12,075.95	10,206.99
	1,020.43	.00	617.78	230.75			
	8.45	.00	5.12	1.91			
35 001 Wolford 1	54,344.20	6,670.34	20,198.61	20,588.00	875,254.25	19,415.58	17,157.34
	1,205.51	147.97	448.06	456.70			
	6.21	.76	2.31	2.35			
39 042 Wyndmere 42	290,038.41	.00	70,593.11	156.40	2,757,004.92	12,658.42	11,001.91
	1,331.67	.00	324.12	.72			
	10.52	.00	2.56	.01			
27 014 Yellowstone 14	85,160.10	141,725.59	.00	249,765.85	1,218,028.14	19,417.00	11,818.53
	1,357.57	2,259.30	.00	3,981.60			
	6.99	11.64	.00	20.51			

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT NUMBER NAME	AVERAGE DAILY MEMBERSHIP		----- INSTRUCTION -----			--- ADMINISTRATION ---		OPERATION AND MAINTENANCE OF PLANT
	HIGH SCHOOL	TOTAL	SALARY/ BENEFITS TEACHERS	SALARY/ BENEFITS SUPPORT	OTHER INSTRUCTIONAL	SCHOOL ADMINISTRATION	GENERAL ADMINISTRATION	
26 004 Zeeland 4	26.00	53.60	451,984.59	.00	52,001.16	20,572.32	142,569.38	87,487.72
			8,432.55	.00	970.17	383.81	2,659.88	1,632.23
			54.49	.00	6.27	2.48	17.19	10.55
GRAND TOTALS	30,518.61	98,733.93	586,164,726.97	63,647,145.83	79,682,430.78	55,549,170.20	72,522,072.59	106,413,804.79
			5,936.81	644.63	807.04	562.61	734.52	1,077.78
			51.27	5.57	6.97	4.86	6.34	9.31

2011-2012 FUND GROUP 1 EXPENDITURES BY FUNCTION

COUNTY/DISTRICT	STUDENT	CAPITAL	EXTRA	ALL OTHER	TOTAL	FUND GROUP 1	AVERAGE
NUMBER NAME	TRANSPORTATION	PROJECTS	CURRICULAR	EXPENDITURES	EXPENDITURES	TOTAL COST PER PUPIL	COST PER PUPIL
26 004 Zeeland 4	49,902.10	.00	.00	25,039.90	829,557.17	15,476.81	14,078.64
	931.01	.00	.00	467.16			
	6.02	.00	.00	3.02			
GRAND TOTALS	53,552,434.18	16,837,511.37	26,406,257.49	82,559,369.07	1,143,334,923.27	11,579.96	9,763.41
	542.39	170.53	267.45	836.18			
	4.68	1.47	2.31	7.22			

COST OF EDUCATION EXPENDITURES BY TYPE OF DISTRICT FOR 2011-2012

TYPE OF DISTRICT	NUMBER OF DISTRICTS	EXPENDITURES	ADM	ADM COST PER PUPIL	ADA	ADA COST PER PUPIL	RATIO*
Non-operating	5	902,470.56	-	-	-	-	-
Rural (1-6)	4	307,546.32	23.77	12,938.42	23.18	13,267.74	1.33
Rural (7-8)	2	22,398.36	2.00	11,199.18	1.94	11,545.55	1.15
Preschool	54	9,090,395.67	1,043.15	8,714.37	896.14	10,143.95	0.89
Kindergarten	167	63,431,644.30	8,297.97	7,644.24	7,957.34	7,971.46	0.78
Graded Elementary (1-6) < 100	22	10,949,873.95	779.31	14,050.73	746.60	14,666.32	1.44
Graded Elementary (1-6) > 100	3	3,677,314.84	399.56	9,203.41	383.28	9,594.33	0.94
Graded Elementary (7-8)	16	2,968,687.24	242.32	12,251.10	229.18	12,953.52	1.25
High School (1-6) < 100	66	47,501,639.20	3,898.92	12,183.28	3,744.26	12,686.52	1.25
High School (1-6) 100-999	71	141,279,326.20	14,915.12	9,472.22	14,332.05	9,857.58	0.97
High School (1-6) > 1000	8	224,547,131.25	23,991.01	9,359.64	23,181.45	9,686.50	0.96
High School (7-8)	147	142,070,009.91	14,622.19	9,716.06	13,952.53	10,182.38	1.00
High School (9-12)							
500 and up	11	178,406,463.90	17,927.65	9,951.47	16,891.64	10,561.82	1.02
400-499	1	3,098,655.50	416.07	7,447.44	394.35	7,857.63	0.76
300-399	1	3,108,010.04	369.34	8,415.04	344.52	9,021.28	0.86
200-299	8	14,733,091.29	1,812.46	8,128.78	1,724.40	8,543.89	0.83
150-199	10	16,180,214.19	1,763.89	9,173.03	1,666.46	9,709.33	0.94
120-149	14	21,774,425.85	1,871.22	11,636.49	1,767.90	12,316.55	1.19
110-119	9	11,033,345.64	1,006.95	10,957.19	966.32	11,417.90	1.12
75-99	24	23,692,972.01	2,045.17	11,584.84	1,970.68	12,022.74	1.19
50-74	34	26,784,766.88	2,135.71	12,541.39	2,028.82	13,202.14	1.28
25-49	26	14,340,235.01	975.43	14,701.45	923.01	15,536.38	1.51
24 or less	11	4,078,733.05	194.72	20,946.66	184.18	22,145.36	2.15
HS Total	149	317,230,913.36	30,518.61	10,394.67	28,862.28	10,991.19	1.06
Districts	183	963,979,351.16	98,733.93	9,763.41	94,310.23	10,221.37	
Vocational Centers	6	6,658,836.91					
Special Education Multidistrict Units	21	36,706,441.91					
Grand Total		1,007,344,629.98		10,202.62		10,681.18	

* The ratio is calculated by dividing the ADM cost per pupil for each category by the ADM average cost per student for all students (excluding vocational centers and special education multidistrict units).

EXPENDITURE CALCULATION OF AVERAGE COST PER PUPIL FOR 2011-2012

The cost of education (instruction) is calculated by adding the general and special fund expenditures for regular instructional programs for pre-kindergarten through grade 12, special education programs, vocational programs, federal programs, administration, and plant operation and maintenance. The total expenditures including cooperative special education and vocational education expenditures for the above functions are then divided by the average daily membership to determine the average cost per pupil.

The average cost for 2011-2012 was as follows: Kindergarten, \$7,923.05; Elementary 1-6, \$10,107.74; Elementary 7-8, \$10,113.47; Elementary 1-8, \$10,109.19; Elementary K-8, \$9,839.13; Secondary 9-12, \$10,991.99; and all pupils \$10,202.62. The rank order of school districts by average cost per pupil is presented in the following tables.

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
1	42	016	Goodrich 16	23	23,613
2	27	036	Mandaree 36	194	22,695
3	05	054	Newburg-United 54	53	21,034
4	03	030	Ft Totten 30	144	19,612
5	47	019	Kensal 19	35	19,480
6	34	043	St Thomas 43	64	18,924
7	13	019	Halliday 19	40	18,879
8	07	014	Bowbells 14	57	18,731
9	43	008	Selfridge 8	71	18,518
10	50	005	Fordville-Lankin 5	55	17,218
11	35	001	Wolford 1	45	17,157
12	36	002	Edmore 2	62	16,540
13	43	003	Solen 3	185	16,128
14	46	010	Hope 10	92	14,949
15	42	019	McClusky 19	80	14,666
16	40	004	Mt Pleasant 4	232	14,641
17	03	029	Warwick 29	272	14,247
18	15	006	Hazleton-Moffit-Braddock 6	91	14,222
19	07	036	Burke Central 36	96	14,199
20	26	004	Zeeland 4	54	14,079
21	23	007	Kulm 7	110	13,959
22	18	128	Midway 128	189	13,805
23	02	046	Litchville-Marion 46	130	13,716
24	10	019	Munich 19	88	13,704
25	21	009	New England 9	184	13,678
26	20	007	Midkota 7	127	13,592
27	36	044	Starkweather 44	73	13,476
28	25	057	Drake 57	80	13,426
29	34	019	Drayton 19	138	13,359
30	24	056	Gackle-Streeter 56	94	13,243
31	06	033	Scranton 33	120	13,076
32	02	007	Barnes County North 7	279	13,027
33	53	099	Grenora 99	118	12,953
34	03	005	Minnewaukan 5	252	12,806
35	39	018	Fairmount 18	111	12,800

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
36	27	002	Alexander 2	97	12,777
37	52	025	Fessenden-Bowdon 25	135	12,745
38	28	008	Underwood 8	188	12,665
39	28	085	White Shield 85	101	12,646
40	31	003	Parshall 3	271	12,578
41	46	019	Finley-Sharon 19	135	12,574
42	25	060	TGU 60	318	12,534
43	07	027	Powers Lake 27	119	12,370
44	41	006	Sargent Central 6	219	12,311
45	34	118	Valley-Edinburg 118	220	12,011
46	05	017	Westhope 17	128	11,999
47	09	004	Maple Valley 4	218	11,945
48	19	049	Elgin-New Leipzig 49	134	11,780
49	40	007	Belcourt 7	1,629	11,730
50	33	001	Center-Stanton 1	207	11,705
51	17	003	Beach 3	300	11,695
52	32	001	Dakota Prairie 1	256	11,659
53	21	001	Mott-Regent 1	224	11,616
54	28	072	Turtle Lake-Mercer 72	163	11,612
55	03	009	Maddock 9	155	11,512
56	26	009	Ashley 9	131	11,500
57	12	001	Divide County 1	296	11,494
58	06	001	Bowman Co 1	432	11,463
59	30	048	Glen Ullin 48	162	11,352
60	41	002	Milnor 2	220	11,214
61	23	008	LaMoure 8	294	11,204
62	01	013	Hettinger 13	249	11,178
63	53	006	Eight Mile 6	168	11,096
64	47	003	Medina 3	142	11,053
65	34	100	North Border 100	439	11,037
66	51	016	Sawyer 16	130	11,029
67	39	042	Wyndmere 42	218	11,002
68	09	001	Fargo 1	10,960	10,989
69	40	003	St John 3	360	10,955
70	13	016	Killdeer 16	384	10,807

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
71	03	006	Leeds 6	150	10,792
72	53	015	Tioga 15	324	10,769
73	10	023	Langdon Area 23	359	10,622
74	49	007	Hatton Eielson 7	185	10,609
75	39	028	Lidgerwood 28	170	10,523
76	28	001	Wilton 1	208	10,513
77	18	001	Grand Forks 1	7,062	10,491
78	20	018	Griggs County Central 18	240	10,311
79	45	013	Belfield 13	229	10,264
80	38	001	Mohall-Lansford-Sherwood 1	352	10,216
81	26	019	Wishek 19	202	10,207
82	40	029	Rolette 29	156	10,205
83	30	013	Hebron 13	183	10,187
84	22	001	Kidder County 1	367	10,142
85	45	034	Richardton-Taylor 34	267	10,119
86	28	051	Garrison 51	347	10,003
87	50	020	Minto 20	199	9,983
88	40	001	Dunseith 1	579	9,927
89	51	161	Lewis and Clark 161	374	9,893
90	51	028	Kenmare 28	293	9,852
91	47	014	Montpelier 14	105	9,851
92	45	009	South Heart 9	243	9,811
93	39	008	Hankinson 8	273	9,810
94	31	001	New Town 1	754	9,803
95	08	028	Wing 28	109	9,778
96	37	024	Enderlin Area 24	310	9,733
97	15	015	Strasburg 15	147	9,635
98	30	049	New Salem-Almont 49	309	9,589
99	52	038	Harvey 38	417	9,573
100	38	026	Glenburn 26	262	9,551
101	49	009	Hillsboro 9	390	9,532
102	05	001	Bottineau 1	622	9,506
103	18	129	Northwood 129	254	9,424
104	28	050	Max 50	192	9,422
105	47	010	Pingree-Buchanan 10	155	9,406
106	47	001	Jamestown 1	2,210	9,342
107	48	010	North Star 10	262	9,334
108	32	066	Lakota 66	201	9,290
109	30	039	Flasher 39	187	9,288
110	36	001	Devils Lake 1	1,668	9,285
111	15	036	Linton 36	310	9,250
112	49	003	Central Valley 3	218	9,216
113	51	001	Minot 1	7,110	9,152

**RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL**

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
114	31	002	Stanley 2	544	9,131
115	18	044	Larimore 44	397	9,116
116	49	014	May-Port CG 14	495	9,097
117	11	040	Ellendale 40	332	9,037
118	50	003	Grafton 3	825	8,996
119	41	003	North Sargent 3	225	8,985
120	25	001	Velva 1	377	8,940
121	23	003	Edgeley 3	252	8,885
122	53	002	Nesson 2	250	8,857
123	08	001	Bismarck 1	11,656	8,838
124	35	005	Rugby 5	559	8,765
125	30	001	Mandan 1	3,420	8,761
126	39	044	Richland 44	285	8,760
127	28	004	Washburn 4	275	8,730
128	14	002	New Rockford-Sheyenne 2	324	8,632
129	34	006	Cavalier 6	399	8,599
130	45	001	Dickinson 1	2,749	8,585
131	29	003	Hazen 3	573	8,486
132	09	006	West Fargo 6	7,719	8,454
133	39	037	Wahpeton 37	1,251	8,444
134	24	002	Napoleon 2	255	8,399
135	02	002	Valley City 2	1,135	8,369
136	37	019	Lisbon 19	605	8,366
137	50	078	Park River 78	400	8,365
138	51	041	Surrey 41	374	8,319
139	29	027	Beulah 27	686	8,295
140	16	049	Carrington 49	533	8,170
141	27	001	McKenzie Co 1	726	8,124
142	51	007	United 7	574	8,015
143	53	001	Williston 1	2,686	7,809
144	43	004	Ft Yates 4	402	7,649
145	18	061	Thompson 61	438	7,424
146	09	097	Northern Cass 97	555	7,292
147	09	017	Central Cass 17	786	7,168
148	09	002	Kindred 2	675	7,059
149	11	041	Oakes 41	511	6,452

RANK ORDER OF GRADED ELEMENTARY DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
1	44	032	Central Elem 32	2	63,949
2	13	037	Twin Buttes 37	37	38,296
3	22	014	Robinson 14	6	36,212
4	04	001	Billings Co 1	57	29,766
5	52	035	Pleasant Valley 35	7	25,607
6	17	006	Lone Tree 6	26	18,232
7	50	128	Adams 128	38	18,094
8	44	012	Marmarth 12	14	17,152
9	15	010	Bakker 10	7	15,544
10	09	080	Page 80	77	15,150
11	03	016	Oberon 16	51	14,525
12	37	006	Ft Ransom 6	26	13,718
13	18	127	Emerado 127	80	12,721
14	08	035	Sterling 35	28	12,614
15	30	004	Little Heart 4	14	12,469
16	27	014	Yellowstone 14	63	11,819
17	25	014	Anamoose 14	95	11,568
18	53	008	New 8	207	11,331
19	09	007	Mapleton 7	84	11,257
20	19	018	Roosevelt 18	108	9,102
21	08	033	Menoken 33	24	9,098
22	08	039	Apple Creek 39	66	8,523
23	51	070	South Prairie 70	173	8,171
24	51	004	Nedrose 4	226	7,940
25	18	125	Manvel 125	150	7,365

RANK ORDER OF RURAL DISTRICTS
BY 2011-2012 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
1	08	025	Naughton 25	6	23,022
2	27	032	Horse Creek 32	4	22,080
3	30	017	Sweet Briar 17	10	10,277
4	08	045	Manning 45	10	7,150

FALL ENROLLMENT, TEACHERS AND AVERAGE TEACHER SALARIES FOR 2012-2013

No.	District Name	1. Fall Enrollment					2. Licensed Personnel (FTE)				3. Average Salary			4. Valuation of Bldg/Equip	5. District Square Miles
		K	Gr 1-6	Gr 7-8	Gr 9-12	Total	Teachers	Other Licensed	Admin	Total	Teachers	Other Licensed	Admin		
01-013	Hettinger 13	29	127	40	84	280	26.6	2.4	2.7	31.7	34,881	36,809	58,911	46,697,667	861
02-002	Valley City 2	78	503	153	373	1,107	72.3	8.6	5.0	86.0	54,611	59,342	103,107	40,324,515	358
02-007	Barnes County North 7	23	133	38	81	275	32.5	4.1	2.8	39.4	48,959	50,336	79,864	11,687,207	717
02-046	Litchville-Marion 46	8	42	16	44	110	16.8	1.0	2.5	20.3	36,703	39,629	66,349	9,891,328	512
03-005	Minnewaukan 5	23	144	30	63	260	24.4	3.3	2.3	29.9	40,954	49,498	82,027	747,500	230
03-006	Leeds 6	7	61	25	50	143	16.3	1.6	1.5	19.4	41,552	47,617	86,500	7,042,241	385
03-009	Maddock 9	12	62	23	60	157	17.7	0.9	1.5	20.1	36,202	40,118	68,767	10,860,164	397
03-016	Oberon 16	8	37	7	-	52	6.8	1.2	0.5	8.5	43,939	49,631	41,000	2,508,925	93
03-029	Warwick 29	27	144	29	69	269	23.3	6.2	3.0	32.5	43,978	50,376	68,980	4,400,000	231
03-030	Ft Totten 30	-	-	-	141	141	17.7	7.3	2.0	27.0	40,734	49,835	72,800	937,434	34
04-001	Billings Co 1	13	48	6	-	67	13.3	2.1	1.0	16.4	37,595	24,580	57,382	5,222,500	1,152
05-001	Bottineau 1	59	257	91	193	600	50.9	7.8	3.0	61.7	40,997	41,629	79,667	28,261,801	644
05-017	Westhope 17	18	52	16	47	133	16.2	2.3	1.2	19.8	33,017	43,833	58,067	2,902,455	346
05-054	Newburg-United 54	5	27	12	18	62	12.2	0.6	0.8	13.5	35,153	37,542	52,300	4,912,104	383
06-001	Bowman Co 1	48	222	55	138	463	43.2	5.3	3.0	51.4	38,908	42,143	83,333	24,723,589	1,048
06-033	Scranton 33	11	56	21	44	132	15.7	1.6	1.8	19.0	39,453	38,909	72,372	4,820,500	489
07-014	Bowbells 14	9	21	10	22	62	10.4	1.0	1.0	12.4	36,554	30,102	65,000	6,753,086	342
07-027	Powers Lake 27	16	69	22	32	139	14.4	1.8	1.2	17.4	39,276	40,547	75,812	2,688,087	350
07-036	Burke Central 36	11	61	19	27	118	15.6	1.1	1.3	18.0	37,890	33,051	65,764	4,913,662	399
08-001	Bismarck 1	973	5,269	1,646	3,540	11,428	787.4	104.7	33.7	925.8	52,683	58,813	106,170	293,128,652	227
08-025	Naughton 25	1	3	-	-	4	1.0	0.4	-	1.4	32,748	43,062	-	180,500	32
08-028	Wing 28	8	48	25	28	109	14.1	1.6	1.3	17.0	30,536	33,227	55,565	600,100	408
08-033	Menoken 33	5	20	1	-	26	3.9	-	0.1	4.0	29,051	-	34,000	168,490	144
08-035	Sterling 35	4	27	2	-	33	4.6	-	0.8	5.4	34,726	-	40,371	1,037,910	182
08-039	Apple Creek 39	8	51	-	-	59	8.0	0.1	0.1	8.2	37,053	51,662	57,389	282,996	24
08-045	Manning 45	2	11	3	-	16	2.0	-	-	2.0	30,467	-	36,046	103,636	28
09-001	Fargo 1	933	4,994	1,582	3,394	10,903	828.8	114.3	33.1	976.2	54,340	65,844	106,337	315,788,407	57
09-002	Kindred 2	46	314	105	211	676	45.5	5.5	3.0	54.0	46,138	51,958	92,833	32,829,724	399
09-004	Maple Valley 4	12	99	42	82	235	23.4	1.7	1.9	27.0	40,674	36,703	46,790	8,558,393	504
09-006	West Fargo 6	772	3,903	1,160	2,134	7,969	562.1	94.1	24.0	680.1	45,370	52,675	97,701	189,040,993	127
09-007	Mapleton 7	13	73	-	-	86	9.1	0.7	0.9	10.6	48,337	33,303	78,695	3,478,256	70
09-017	Central Cass 17	63	362	94	259	778	52.8	4.5	3.6	61.0	41,313	53,153	83,497	34,381,911	401
09-080	Page 80	10	78	-	-	88	10.4	1.0	1.6	13.0	42,081	37,925	72,949	1,903,000	213
09-097	Northern Cass 97	49	256	86	169	560	37.7	4.3	3.0	45.0	38,662	45,305	76,333	19,589,294	421
10-019	Munich 19	6	42	8	33	89	13.1	1.4	0.9	15.4	41,733	18,117	65,346	1,740,000	493
10-023	Langdon Area 23	21	135	50	133	339	29.5	3.7	2.9	36.2	43,540	48,627	84,405	18,809,697	920
11-040	Ellendale 40	19	151	56	96	322	29.6	3.6	2.2	35.4	42,553	49,621	80,057	11,704,131	504
11-041	Oakes 41	49	219	61	175	504	31.8	4.0	3.0	38.8	39,112	49,606	89,964	11,080,000	498
12-001	Divide County 1	28	181	49	82	340	32.0	4.4	3.0	39.3	44,197	45,839	70,833	21,720,923	1,026
13-016	Killdeer 16	26	163	57	146	392	33.1	4.4	3.0	40.6	41,856	43,351	86,600	16,955,512	856
13-019	Halliday 19	6	22	8	8	44	7.1	0.4	1.0	8.5	33,207	21,600	70,000	8,810,405	315
13-037	Twin Buttes 37	7	29	4	-	40	8.0	1.2	0.8	10.0	42,281	25,000	60,000	1,512,000	102
14-002	Mohrville-Shenandoah 2	28	146	51	115	340	28.4	2.5	1.8	32.7	38,467	44,405	59,833	10,500,000	353

FALL ENROLLMENT, TEACHERS AND AVERAGE TEACHER SALARIES FOR 2012-2013

No.	District Name	1. Fall Enrollment					2. Licensed Personnel (FTE)				3. Average Salary			4. Valuation	5. District
		K	Gr 1-6	Gr 7-8	Gr 9-12	Total	Teachers	Other Licensed	Admin	Total	Teachers	Other Licensed	Admin	of Bldg/Equip	Square Miles
15-006	Hazelton-Moffit-Braddock 6	9	42	10	28	89	13.5	2.1	1.0	16.6	37,419	30,081	65,000	5,909,000	539
15-010	Bakker 10	1	3	-	-	4	1.0	-	-	1.0	32,400	-	32,400	795,158	84
15-015	Strasburg 15	12	59	18	59	148	16.8	1.4	1.5	19.7	36,519	25,654	58,200	7,737,101	355
15-036	Linton 36	19	129	39	116	303	23.5	4.0	2.0	29.5	41,108	41,196	69,926	7,162,124	414
16-049	Carrington 49	42	234	76	191	543	38.1	4.0	3.0	45.0	41,839	44,935	85,200	18,953,479	778
17-003	Beach 3	17	107	36	124	284	32.2	3.1	3.0	38.4	39,143	44,578	74,924	16,741,490	765
17-006	Lone Tree 6	3	24	2	-	29	4.2	-	0.5	4.7	29,519	21,500	21,500	550,000	243
18-001	Grand Forks 1	640	3,181	1,053	2,139	7,013	581.7	102.3	26.0	710.0	50,323	55,199	102,540	113,145,229	77
18-044	Larimore 44	27	142	75	163	407	34.8	3.5	2.0	40.3	41,371	37,286	67,250	12,927,457	330
18-061	Thompson 61	27	203	67	133	430	29.9	2.6	2.5	35.0	40,099	47,962	72,900	15,830,007	117
18-125	Manvel 125	18	82	27	-	127	13.1	0.7	1.0	14.8	41,303	29,498	53,917	4,188,049	136
18-127	Emerado 127	17	47	12	-	76	10.7	1.7	1.0	13.4	35,159	33,843	57,500	3,103,651	104
18-128	Midway 128	16	78	32	79	205	22.0	3.2	3.8	29.0	37,771	34,413	59,314	5,432,500	297
18-129	Northwood 129	17	115	39	77	248	19.1	2.8	2.1	24.0	37,489	43,534	60,399	15,017,600	257
18-140	Grand Forks AFB 140	-	-	-	-	-	-	-	-	0.0	-	-	-	-	8
19-018	Roosevelt 18	9	55	39	-	103	11.1	0.1	0.7	12.0	32,703	53,040	53,040	7,190,999	471
19-049	Elgin-New Leipzig 49	13	42	-	79	134	14.5	3.3	2.2	20.0	37,215	36,264	72,611	12,104,929	692
20-007	Midkota 7	12	64	18	42	136	17.8	1.1	1.4	20.2	39,272	39,375	83,561	2,642,850	594
20-018	Griggs County Central 18	21	88	32	93	234	22.8	2.7	2.9	28.4	42,054	39,094	85,241	11,971,992	423
21-001	Mott-Regent 1	20	107	40	72	239	24.7	2.3	2.2	29.3	37,786	43,117	73,455	9,137,101	880
21-009	New England 9	8	87	25	62	182	16.2	2.0	2.0	20.3	41,931	47,864	59,550	2,907,000	638
22-001	Kidder County 1	18	165	62	120	365	38.7	3.2	3.5	45.5	38,881	45,344	66,537	17,486,236	1,070
22-014	Robinson 14	1	4	-	-	5	2.0	-	-	2.0	32,810	33,995	33,995	879,000	251
23-003	Edgeley 3	17	122	27	51	217	20.8	1.2	2.2	24.2	39,698	48,005	74,769	11,868,358	414
23-007	Kulm 7	13	59	10	34	116	15.9	1.8	2.0	19.7	40,953	41,440	67,219	5,752,762	497
23-008	LaMoure 8	32	149	35	101	317	21.3	2.7	3.0	27.0	40,488	49,886	68,732	5,290,000	426
24-002	Napoleon 2	20	118	45	85	268	20.6	4.9	1.7	27.2	41,589	40,275	71,020	6,956,942	552
24-056	Gackle-Streeter 56	5	37	13	32	87	15.2	0.5	1.7	17.3	35,779	38,731	65,382	7,136,069	605
25-001	Velva 1	35	188	59	106	388	35.5	3.0	2.5	41.0	44,057	51,392	67,901	11,220,913	562
25-014	Anamoose 14	15	80	-	-	95	9.9	0.3	1.9	12.0	36,577	41,313	72,324	5,004,449	205
25-057	Drake 57	-	-	28	58	86	8.4	1.3	0.9	10.5	37,080	37,100	57,000	9,984,772	435
25-060	TGU 60	30	147	54	109	340	35.7	3.7	3.1	42.5	45,385	49,147	83,187	19,964,415	1,043
26-004	Zeeland 4	2	20	5	24	51	9.7	0.7	1.1	11.5	34,095	41,512	56,937	5,897,034	156
26-009	Ashley 9	6	64	15	43	128	16.8	1.3	1.9	20.0	36,974	38,108	66,316	6,634,000	477
26-019	Wishek 19	18	87	30	63	198	17.1	1.7	1.8	20.6	40,480	49,954	60,131	12,069,477	473
27-001	McKenzie Co 1	77	412	120	250	859	52.0	5.3	3.2	60.5	52,284	56,840	94,528	28,874,876	1,679
27-002	Alexander 2	14	68	16	24	122	11.2	0.9	1.0	13.0	42,121	42,736	79,179	2,523,993	323
27-014	Yellowstone 14	8	56	15	-	79	7.6	0.4	1.0	9.0	38,117	41,833	54,000	875,322	147
27-018	Earl 18	-	-	-	-	-	1.0	-	-	1.0	29,500	-	-	1,408,444	270
27-032	Horse Creek 32	-	3	-	-	3	0.9	0.1	0.1	1.0	34,000	34,000	34,000	151,000	223
27-036	Mandaree 36	28	110	33	41	212	21.8	4.2	2.0	28.0	41,415	48,325	84,033	6,035,000	395
28-001	Wilton 1	17	83	37	69	206	19.8	2.2	2.0	24.0	35,888	42,145	68,500	7,439,189	322
28-004	Washburn 4	19	133	49	80	281	21.8	1.8	2.7	28.8	39,324	43,567	73,895	10,930,766	244

FALL ENROLLMENT, TEACHERS AND AVERAGE TEACHER SALARIES FOR 2012-2013

No.	District Name	1. Fall Enrollment					2. Licensed Personnel (FTE)				3. Average Salary			4. Valuation of Bldg/Equip	5. District Square Miles
		K	Gr 1-6	Gr 7-8	Gr 9-12	Total	Teachers	Other Licensed	Admin	Total	Teachers	Other Licensed	Admin		
28-008	Underwood 8	16	93	41	61	211	23.3	3.4	2.6	29.3	36,190	39,915	68,846	10,546,606	199
28-050	Max 50	12	96	36	68	212	18.6	1.4	2.2	22.2	40,158	41,150	70,108	7,636,088	338
28-051	Garrison 51	26	169	66	113	374	33.1	2.7	3.0	38.8	39,610	43,252	70,040	9,439,681	393
28-072	Turtle Lake-Mercer 72	18	76	30	53	177	20.5	3.0	2.0	25.5	37,741	52,858	70,600	8,241,688	522
28-085	White Shield 85	6	58	16	41	121	19.7	3.3	3.0	26.0	42,078	45,534	61,667	7,800,000	191
29-003	Hazen 3	52	256	87	184	579	38.2	3.7	3.0	44.9	39,643	47,034	89,813	29,846,204	303
29-027	Beulah 27	57	324	97	219	697	51.4	8.4	3.8	63.6	45,569	44,686	91,366	19,798,060	669
30-001	Mandan 1	265	1,488	533	1,035	3,321	227.8	36.5	11.5	275.8	47,804	54,948	100,296	75,125,820	908
30-004	Little Heart 4	3	9	3	-	15	2.9	-	0.1	3.0	29,553	-	37,450	262,216	85
30-013	Hebron 13	18	93	27	54	192	18.1	0.9	2.5	21.4	40,704	40,316	63,580	10,545,358	394
30-017	Sweet Briar 17	2	10	1	-	13	0.9	-	0.1	1.0	35,500	563	35,500	287,947	39
30-039	Flasher 39	14	77	30	77	198	18.6	1.9	1.5	22.0	34,695	35,548	62,333	4,560,672	632
30-048	Glen Ullin 48	11	64	22	54	151	17.7	0.3	2.4	20.3	40,313	14,195	56,468	8,811,034	426
30-049	New Salem-Almont 49	42	142	44	105	333	26.1	2.5	2.4	31.0	36,182	39,561	70,196	10,199,028	461
31-001	New Town 1	37	401	115	196	749	59.4	10.7	5.6	75.7	41,382	46,487	66,992	25,351,395	317
31-002	Stanley 2	46	291	87	177	601	44.6	5.9	2.8	53.3	41,013	48,569	80,073	18,057,730	766
31-003	Parshall 3	29	109	51	77	266	24.1	2.5	2.4	29.0	43,307	44,147	82,637	10,219,000	358
32-001	Dakota Prairie 1	25	121	21	81	248	26.3	4.0	2.7	33.0	40,666	41,277	80,719	10,750,959	907
32-066	Lakota 66	15	83	36	61	195	19.5	2.4	2.1	24.0	36,118	41,467	78,866	11,390,636	401
33-001	Center-Stanton 1	19	94	27	60	200	20.1	2.4	2.6	25.0	39,900	43,377	64,527	7,677,865	539
34-006	Cavalier 6	34	198	62	113	407	32.9	2.5	3.0	38.4	37,934	36,275	74,572	16,810,033	339
34-019	Drayton 19	13	74	20	35	142	18.6	2.7	1.4	22.7	39,258	44,801	64,931	10,674,634	192
34-043	St Thomas 43	3	33	19	30	85	11.1	1.0	0.7	12.8	38,876	40,898	54,839	1,257,500	115
34-100	North Border 100	21	162	67	130	380	46.7	5.0	4.4	56.1	39,800	35,539	62,649	22,371,033	552
34-118	Valley-Edinburg 118	13	97	39	68	217	25.3	1.5	3.0	29.7	40,233	29,685	74,183	11,409,859	294
35-001	Wolford 1	4	22	3	11	40	7.9	1.1	1.0	9.9	35,172	33,041	48,559	745,000	196
35-005	Rugby 5	44	227	96	176	543	46.2	5.4	3.0	54.6	41,165	44,545	77,667	20,746,724	805
36-001	Devils Lake 1	121	760	257	501	1,639	127.7	17.3	7.5	152.5	44,224	50,798	85,276	54,360,418	473
36-002	Edmore 2	-	-	16	38	54	8.4	0.2	1.4	10.1	33,888	13,457	70,175	4,171,254	395
36-044	Starkweather 44	4	32	10	20	66	10.1	1.2	1.5	12.8	43,669	35,041	80,906	2,535,000	278
37-006	Ft Ransom 6	3	23	-	-	26	3.0	1.0	0.1	4.0	41,147	5,871	47,182	190,000	67
37-019	Lisbon 19	46	253	105	193	597	47.9	6.6	3.5	58.0	41,801	41,006	82,818	14,983,429	429
37-024	Enderlin Area 24	31	132	45	98	306	27.1	2.7	2.9	32.7	38,621	41,208	71,972	17,016,985	416
38-001	Mohall-Lansford-Sherwood 1	26	162	43	95	326	32.5	3.7	2.9	39.0	39,516	40,305	68,672	19,502,520	814
38-026	Glenburn 26	28	111	48	83	270	26.3	1.7	3.0	31.0	39,649	36,989	65,167	6,150,000	348
39-008	Hankinson 8	18	123	45	89	275	25.1	1.3	2.6	29.0	44,891	54,300	70,971	12,361,044	240
39-018	Fairmount 18	4	58	13	37	112	14.7	1.2	1.5	17.4	41,313	34,975	55,667	7,177,565	92
39-028	Lidgerwood 28	8	90	26	52	176	18.0	0.7	1.4	20.1	38,988	44,660	75,967	9,152,913	190
39-037	Wahpeton 37	86	529	183	413	1,211	91.4	13.2	4.3	108.8	48,192	56,919	81,760	36,768,516	257
39-042	Wyndmere 42	12	103	28	69	212	20.3	2.8	2.2	25.3	45,645	55,686	73,179	9,462,648	311
39-044	Richland 44	15	118	45	86	264	26.6	2.1	2.5	31.2	35,039	37,338	68,819	11,973,826	222
40-001	Dunseith 1	38	182	44	162	426	44.3	5.7	4.0	54.0	37,233	43,705	63,767	19,236,520	199
40-003	8	27	172	56	125	380	34.6	3.7	2.5	40.7	41,850	49,091	73,304	12,361,044	109

FALL ENROLLMENT, TEACHERS AND AVERAGE TEACHER SALARIES FOR 2012-2013

No.	District Name	1. Fall Enrollment					2. Licensed Personnel (FTE)				3. Average Salary			4. Valuation	5. District
		K	Gr 1-6	Gr 7-8	Gr 9-12	Total	Teachers	Other Licensed	Admin	Total	Teachers	Other Licensed	Admin	of Bldg/Equip	Square Miles
40-004	Mt Pleasant 4	15	108	35	74	232	22.6	2.2	3.0	27.8	36,321	37,254	62,167	30,722,233	467
40-007	Belcourt 7	145	805	236	516	1,702	166.2	23.8	8.0	198.0	55,860	68,427	88,016	6,031,495	72
40-029	Rolette 29	9	77	25	53	164	16.9	1.1	1.9	19.9	34,812	41,411	66,194	8,405,238	281
41-002	Milnor 2	18	98	36	66	218	23.7	2.7	2.7	29.0	36,348	45,513	74,889	8,253,120	193
41-003	North Sargent 3	17	101	33	69	220	19.1	2.2	2.7	24.0	38,284	40,938	66,450	7,804,092	117
41-006	Sargent Central 6	9	94	24	84	211	23.3	2.7	3.0	29.0	39,979	40,940	68,400	11,593,107	476
42-016	Goodrich 16	4	10	4	10	28	6.6	-	1.0	7.6	27,001	16,591	68,676	2,945,785	264
42-019	McClusky 19	6	33	13	26	78	13.8	1.8	1.9	17.5	33,023	33,426	43,409	1,906,420	429
43-003	Solen 3	14	88	24	39	165	28.0	3.0	2.0	33.0	34,670	42,322	62,150	8,705,804	315
43-004	Ft Yates 4	-	70	108	-	178	17.0	1.8	1.8	20.5	39,319	47,714	68,286	14,482,685	338
43-008	Selfridge 8	5	37	13	23	78	13.4	0.8	0.6	14.8	35,946	29,680	65,308	2,989,978	295
44-012	Marmarth 12	1	8	4	-	13	3.0	1.0	-	4.0	35,109	8,712	38,400	404,000	348
44-032	Central Elem 32	1	2	-	-	3	2.0	0.5	-	2.5	20,925	18,360	36,000	205,000	431
45-001	Dickinson 1	260	1,385	408	770	2,823	199.5	27.5	10.3	237.3	51,838	58,591	102,472	89,992,996	498
45-009	South Heart 9	22	100	38	79	239	19.9	4.6	2.0	26.6	38,905	36,518	70,500	10,989,230	304
45-013	Belfield 13	15	100	33	79	227	20.9	2.2	1.7	24.8	38,989	40,889	56,901	8,474,459	144
45-034	Richardton-Taylor 34	26	125	38	84	273	23.2	4.8	2.6	30.5	38,232	46,634	68,529	14,451,357	523
46-010	Hope 10	-	-	22	71	93	9.3	1.0	0.7	11.0	40,758	48,200	72,623	1,950,000	253
46-019	Finley-Sharon 19	6	44	20	58	128	17.5	1.7	2.0	21.2	38,037	42,417	82,000	9,341,587	293
47-001	Jamestown 1	162	918	328	705	2,113	164.9	23.4	8.7	197.0	52,954	62,225	93,307	91,584,474	472
47-003	Medina 3	15	54	31	57	157	16.9	0.9	1.4	19.1	37,501	33,859	84,149	7,520,000	406
47-010	Pingree-Buchanan 10	10	61	30	45	146	15.3	1.3	2.0	18.6	34,712	41,654	57,397	6,682,639	335
47-014	Montpelier 14	4	44	17	44	109	13.4	0.6	1.8	15.8	32,903	50,181	67,571	6,144,545	217
47-019	Kensal 19	4	15	5	9	33	8.0	1.1	1.3	10.3	30,878	6,745	42,840	2,729,309	170
48-010	North Star 10	18	119	35	89	261	25.3	1.7	2.0	29.0	45,371	49,711	71,872	12,942,378	648
49-003	Central Valley 3	22	85	46	78	231	20.1	0.7	0.7	21.5	43,340	43,300	82,672	11,820,472	243
49-007	Hatton Eielson 7	15	76	23	57	171	16.5	3.5	2.0	22.0	37,309	32,680	82,600	3,366,000	153
49-009	Hillsboro 9	43	198	63	124	428	32.1	3.1	2.7	37.9	50,172	56,751	93,221	10,582,798	278
49-014	May-Port CG 14	46	216	73	164	499	37.6	3.9	3.0	44.5	45,632	46,059	86,900	13,929,209	444
50-003	Grafton 3	80	386	123	274	863	62.2	7.0	4.3	73.5	43,842	43,619	88,765	27,539,107	202
50-005	Fordville-Lankin 5	2	14	9	22	47	9.9	0.1	1.0	11.0	34,515	36,014	78,264	4,564,078	207
50-020	Minto 20	18	104	39	68	229	18.7	1.4	2.0	22.2	39,923	55,564	50,691	7,583,365	158
50-078	Park River 78	29	180	77	123	409	30.4	2.5	3.0	35.9	40,253	44,620	81,794	17,401,521	227
50-128	Adams 128	-	27	-	-	27	5.6	1.0	0.5	7.0	40,035	44,532	55,000	4,346,200	172
51-001	Minot 1	742	3,403	989	2,056	7,190	549.3	69.2	27.9	646.4	51,761	61,521	97,692	130,833,625	128
51-004	Nedrose 4	34	169	51	-	254	17.2	2.0	0.8	20.0	47,439	49,358	110,090	10,000,000	32
51-007	United 7	47	275	94	159	575	43.8	4.3	2.9	51.0	40,514	48,577	78,378	84,995,387	346
51-016	Sawyer 16	11	56	20	44	131	16.6	1.4	1.0	19.0	32,901	31,825	65,000	7,811,164	201
51-028	Kenmare 28	34	134	44	83	295	27.5	3.5	3.0	34.0	42,862	45,941	78,357	15,585,000	600
51-041	Surrey 41	39	153	54	141	387	32.5	2.2	2.9	37.5	40,737	49,532	74,897	10,748,850	129
51-070	South Prairie 70	30	126	43	-	199	15.4	3.1	0.8	19.2	37,396	36,024	78,440	7,757,932	164
51-160	Minot AFB 160	-	-	-	-	-	-	-	-	0.0	-	-	-	-	7
51-161	Lewis and Clark 161	27	166	68	136	397	28.7	3.9	3.4	44.0	38,797	41,870	72,185	10,109,219	877

FALL ENROLLMENT, TEACHERS AND AVERAGE TEACHER SALARIES FOR 2012-2013

No.	District Name	1. Fall Enrollment					2. Licensed Personnel (FTE)				3. Average Salary			4. Valuation	5. District
		K	Gr 1-6	Gr 7-8	Gr 9-12	Total	Teachers	Other Licensed	Admin	Total	Teachers	Other Licensed	Admin	of Bldg/Equip	Square Miles
52-025	Fessenden-Bowdon 25	14	62	18	41	135	14.4	0.8	1.8	17.0	37,610	53,277	63,714	8,840,728	562
52-035	Pleasant Valley 35	-	2	4	-	6	1.6	-	0.1	1.8	40,920	45,856	45,856	330,771	135
52-038	Harvey 38	34	181	76	116	407	33.4	4.3	1.9	39.5	40,652	45,094	68,983	17,638,912	571
53-001	Williston 1	265	1,271	458	848	2,842	186.0	15.5	11.0	212.5	46,595	56,504	102,380	58,671,635	15
53-002	Nesson 2	15	127	37	96	275	20.8	1.8	2.4	25.0	41,239	35,536	66,469	6,212,170	479
53-006	Eight Mile 6	15	87	24	65	191	17.7	1.1	2.0	20.8	37,488	47,984	61,000	10,960,806	85
53-008	New 8	36	187	41	-	264	26.9	3.0	1.5	31.4	45,570	41,681	65,747	4,638,808	1,161
53-015	Tioga 15	47	187	53	109	396	29.0	3.6	2.8	35.3	51,120	53,582	77,649	15,940,686	451
53-099	Grenora 99	15	65	27	31	138	16.0	0.6	1.9	18.5	39,246	40,723	58,401	6,554,944	821
	North Dakota	8,575	45,804	14,750	30,063	99,192	8,068.4	1,040.5	533.4	9,642.2	46,312	53,004	83,094	3,181,134,557	69,550

Data sources: Fall MIS reports for 2012-2013

1. Fall Enrollment

The number of students enrolled full time in the school district on the September 10th count date.

2. Licensed personnel (FTE)

- Teachers include classroom teachers, MR special education, SLD and ED, physical education, music, art, career and technology, Title I and any other type of teacher.
- Other licensed staff includes assistant directors, coordinators, counselors or counselor designates, county superintendents and assistant or deputy county superintendents, directors, instructional programmers, library media specialist, pupil personnel, school psychologist, speech pathologist and supervisors.
- Administrators include principals and assistant principals, superintendents and assistant or deputy superintendents.
- All data for the Licensed Personnel (FTE) category is taken from MISO3 reports for staff licensed through the Education Standards and Practices Board (ESPB).

3. Average Salary

The average full time equivalent (FTE) salaries for the licensed personnel categories.

4. Valuation of Bldg/Equip.

The reported valuation of school district buildings and equipment.

5. District square miles

The number of land sections in the school district.

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
01-013	Hettinger 13	242.26	274.58	1.2100	332.24	115%	35	39	13	4	96%
02-002	Valley City 2	1,115.07	1,241.66	1.0000	1,241.66	90%	216	41	25	41	96%
02-007	Barnes County North 7	279.27	309.69	1.1967	370.61	244%	1	70	11	30	96%
02-046	Litchville-Marion 46	121.24	133.27	1.2500	166.59	278%	94	47	9	31	95%
03-005	Minnewaukan 5	253.25	283.43	1.2000	340.12	34%	255	45	0	17	92%
03-006	Leeds 6	151.96	167.69	1.2500	209.61	151%	64	46	12	10	96%
03-009	Maddock 9	154.93	170.71	1.2500	213.39	134%	52	68	22	2	97%
03-016	Oberon 16	50.68	56.25	1.2500	70.31	98%	42	49	0	5	92%
03-029	Warwick 29	271.65	302.68	1.1827	357.98	22%	222	48	9	21	88%
03-030	Ft Totten 30	125.23	153.43	1.2500	191.79	5%	88	29	28	4	78%
04-001	Billings Co 1	57.76	69.19	1.2500	86.49	2,574%	46	20	7	17	96%
05-001	Bottineau 1	604.55	678.59	1.0123	686.94	152%	320	62	21	0	96%
05-017	Westhope 17	127.51	140.39	1.2500	175.49	156%	92	63	6	5	95%
05-054	Newburg-United 54	53.06	63.45	1.2500	79.31	419%	45	60	6	19	97%
06-001	Bowman Co 1	435.08	480.69	1.0200	490.30	192%	230	56	21	6	96%
06-033	Scranton 33	118.78	130.51	1.2500	163.14	216%	67	48	5	15	96%
07-014	Bowbells 14	55.57	67.03	1.2500	83.79	353%	19	36	6	19	96%
07-027	Powers Lake 27	118.62	130.39	1.2500	162.99	157%	33	54	0	7	96%
07-036	Burke Central 36	97.03	115.93	1.2500	144.91	242%	80	40	3	24	95%
08-001	Bismarck 1	10,968.69	12,400.35	1.0000	12,400.35	88%	1,622	34	140	44	96%
08-025	Naughton 25	6.26	6.82	1.2500	8.53	216%	-	-	3	3	97%
08-028	Wing 28	109.02	120.64	1.2500	150.80	106%	82	60	19	5	97%
08-033	Menoken 33	23.84	26.27	1.2500	32.84	257%	4	7	0	12	96%
08-035	Sterling 35	28.00	30.86	1.2500	38.58	353%	36	33	0	12	96%
08-039	Apple Creek 39	66.03	71.91	1.2500	89.89	206%	-	-	9	37	97%
08-045	Manning 45	10.06	10.95	1.2500	13.69	119%	-	-	2	8	98%
09-001	Fargo 1	10,662.80	11,947.22	1.0000	11,947.22	89%	179	30	157	69	95%
09-002	Kindred 2	675.40	740.61	1.0100	748.02	88%	601	41	38	25	96%
09-004	Maple Valley 4	218.49	244.37	1.2200	298.13	238%	227	40	33	22	97%
09-006	West Fargo 6	7,537.37	8,438.77	1.0000	8,438.77	86%	1,922	18	104	270	96%
09-007	Mapleton 7	86.25	95.34	1.2500	119.18	195%	8	28	3	56	97%
09-017	Central Cass 17	801.69	888.35	1.0100	897.23	87%	322	57	38	19	98%
09-080	Page 80	76.44	84.13	1.2500	105.16	238%	89	49	1	25	96%
09-097	Northern Cass 97	552.66	612.66	1.0200	624.91	94%	532	61	141	4	96%

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
10-019	Munich 19	87.31	104.84	1.2500	131.05	320%	-	41	5	4	96%
10-023	Langdon Area 23	355.73	394.16	1.0700	421.75	211%	137	52	11	11	97%
11-040	Ellendale 40	332.58	369.55	1.0900	402.81	119%	142	64	5	27	97%
11-041	Oakes 41	490.07	536.53	1.0200	547.26	98%	225	60	22	6	96%
12-001	Divide County 1	296.10	327.91	1.1357	372.41	225%	139	54	22	4	94%
13-016	Killdeer 16	381.94	419.91	1.0446	438.64	167%	310	23	75	15	95%
13-019	Halliday 19	40.10	48.47	1.2500	60.59	244%	19	52	8	37	94%
13-037	Twin Buttes 37	37.07	41.81	1.2500	52.26	12%	-	-	0	8	93%
14-002	New Rockford-Sheyenne 2	324.00	355.53	1.0900	387.53	99%	115	77	22	7	97%
15-006	Hazelon-Moffit-Braddock 6	90.80	109.56	1.2500	136.95	204%	32	46	1	6	97%
15-010	Bakker 10	7.47	8.29	1.2500	10.36	739%	2	25	0	24	98%
15-015	Strasburg 15	143.98	159.54	1.2500	199.43	105%	82	61	28	20	96%
15-036	Linton 36	309.60	347.40	1.1100	385.61	72%	164	78	20	4	98%
16-049	Carrington 49	534.94	588.46	1.0200	600.23	110%	84	48	37	13	97%
17-003	Beach 3	298.04	329.86	1.1300	372.74	141%	86	23	3	11	95%
17-006	Lone Tree 6	26.57	29.25	1.2500	36.56	299%	60	20	6	3	96%
18-001	Grand Forks 1	6,879.26	7,772.99	1.0000	7,772.99	93%	419	42	151	46	97%
18-044	Larimore 44	398.52	440.87	1.0300	454.10	94%	185	43	28	13	95%
18-061	Thompson 61	429.88	471.81	1.0200	481.25	73%	210	44	54	71	98%
18-125	Manvel 125	133.71	161.23	1.1700	188.64	133%	113	35	15	17	95%
18-127	Emerado 127	80.41	89.00	1.2500	111.25	123%	88	31	27	31	95%
18-128	Midway 128	188.51	210.54	1.2400	261.07	149%	186	46	11	28	96%
18-129	Northwood 129	250.89	277.73	1.2000	333.28	107%	171	50	35	20	97%
18-140	Grand Forks AFB 140	0.00	0.00	-	0.00	0%	-	-	0	11	0%
19-018	Roosevelt 18	107.84	118.76	1.2500	148.45	106%	53	50	0	31	95%
19-049	Elgin-New Leipzig 49	132.26	146.73	1.2500	183.41	146%	52	43	5	3	95%
20-007	Midkota 7	126.51	139.36	1.2500	174.20	226%	110	62	10	37	96%
20-018	Griggs County Central 18	239.30	264.58	1.2100	320.14	143%	119	62	15	6	96%
21-001	Mott-Regent 1	223.43	245.48	1.2200	299.49	173%	-	-	8	14	97%
21-009	New England 9	183.50	203.27	1.2500	254.09	168%	133	70	18	7	98%
22-001	Kidder County 1	367.07	404.70	1.1513	465.93	120%	219	75	14	14	96%
22-014	Robinson 14	6.00	6.68	1.2500	8.35	915%	6	22	0	4	98%
23-003	Edgeley 3	224.03	248.25	1.2200	302.87	124%	121	51	24	16	93%
23-007	Kulm 7	110.41	122.30	1.2500	152.88	228%	55	58	4	11	95%

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
23-008	LaMoure 8	293.52	327.32	1.1400	373.14	105%	120	73	29	10	97%
24-002	Napoleon 2	255.01	279.41	1.2000	335.29	79%	113	48	21	8	97%
24-056	Gackle-Streeter 56	93.30	112.44	1.2500	140.55	246%	62	59	1	32	96%
25-001	Velva 1	375.66	413.95	1.0500	434.65	100%	16	25	35	4	96%
25-014	Anamoose 14	93.84	103.93	1.2500	129.91	98%	65	42	27	10	96%
25-057	Drake 57	79.70	96.32	1.2500	120.40	213%	92	34	4	47	95%
25-060	TGU 60	317.55	351.33	1.1000	386.46	153%	263	67	10	33	97%
26-004	Zeeland 4	53.60	59.15	1.2500	73.94	216%	43	52	7	6	97%
26-009	Ashley 9	129.53	142.70	1.2500	178.38	147%	59	74	3	2	96%
26-019	Wishek 19	200.91	221.71	1.2343	273.66	107%	74	67	7	11	97%
27-001	McKenzie Co 1	725.12	795.31	1.0100	803.26	139%	187	46	9	22	95%
27-002	Alexander 2	96.52	115.61	1.2500	144.51	202%	69	66	1	5	93%
27-014	Yellowstone 14	87.55	101.63	1.2500	127.04	121%	86	35	0	1	95%
27-018	Earl 18	6.56	7.08	1.2500	8.85	860%	6	29	0	0	0%
27-032	Horse Creek 32	4.00	4.34	1.2500	5.43	2,683%	-	-	0	0	98%
27-036	Mandaree 36	182.52	203.40	1.2500	254.25	104%	65	47	0	8	91%
28-001	Wilton 1	207.82	227.54	1.2300	279.87	162%	100	66	4	14	97%
28-004	Washburn 4	273.66	302.77	1.1800	357.27	137%	73	50	15	4	97%
28-008	Underwood 8	187.89	207.07	1.2400	256.77	168%	44	35	4	17	97%
28-050	Max 50	189.59	208.45	1.2400	258.48	112%	140	63	49	13	96%
28-051	Garrison 51	347.17	388.35	1.0800	419.42	135%	159	63	24	6	97%
28-072	Turtle Lake-Mercer 72	162.99	180.34	1.2500	225.43	177%	86	56	5	8	98%
28-085	White Shield 85	125.97	142.39	1.2500	177.99	32%	-	-	0	5	86%
29-003	Hazen 3	564.98	624.85	1.0200	637.35	80%	193	64	55	14	95%
29-027	Beulah 27	689.86	760.49	1.0100	768.09	101%	97	54	12	11	97%
30-001	Mandan 1	3,317.85	3,714.32	1.0000	3,714.32	73%	715	38	63	88	96%
30-004	Little Heart 4	13.54	14.74	1.2500	18.43	244%	4	6	2	6	98%
30-013	Hebron 13	183.31	206.70	1.2500	258.38	102%	43	49	3	18	95%
30-017	Sweet Briar 17	9.95	10.84	1.2500	13.55	220%	-	-	8	14	98%
30-039	Flasher 39	187.35	208.49	1.2400	258.53	77%	66	81	64	1	97%
30-048	Glen Ullin 48	160.44	177.38	1.2500	221.73	165%	119	53	2	7	90%
30-049	New Salem-Almont 49	308.23	338.12	1.1100	375.31	86%	167	49	18	8	97%
31-001	New Town 1	726.46	809.43	1.0100	817.52	193%	144	32	4	54	89%
31-002	Stanley 2	543.29	598.18	1.0200	610.14	160%	328	60	79	0	95%

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
31-003	Parshall 3	271.26	298.64	1.1844	353.71	141%	-	-	1	9	93%
32-001	Dakota Prairie 1	253.29	280.70	1.2000	336.84	235%	226	62	8	65	95%
32-066	Lakota 66	197.38	217.84	1.2400	270.12	118%	92	64	47	0	96%
33-001	Center-Stanton 1	207.33	227.51	1.2300	279.84	159%	131	70	4	57	96%
34-006	Cavalier 6	395.43	440.06	1.0300	453.26	94%	191	60	7	5	96%
34-019	Drayton 19	137.63	151.52	1.2500	189.40	185%	56	51	11	8	97%
34-043	St Thomas 43	60.36	68.95	1.2500	86.19	220%	21	5	2	9	94%
34-100	North Border 100	451.29	505.68	1.0200	515.79	148%	129	78	5	10	97%
34-118	Valley-Edinburg 118	221.44	244.48	1.2500	305.60	170%	129	59	9	11	96%
35-001	Wolford 1	45.14	49.84	1.2500	62.30	169%	31	53	8	4	95%
35-005	Rugby 5	558.05	615.52	1.0200	627.83	97%	163	62	0	2	96%
36-001	Devils Lake 1	1,618.18	1,802.76	1.0000	1,802.76	56%	797	55	0	46	95%
36-002	Edmore 2	62.05	74.13	1.2500	92.66	338%	36	55	8	6	95%
36-044	Starkweather 44	72.60	87.67	1.2500	109.59	169%	57	53	10	6	97%
37-006	Ft Ransom 6	26.17	28.67	1.2500	35.84	483%	38	37	9	0	96%
37-019	Lisbon 19	608.80	683.07	1.0100	689.90	71%	254	47	36	22	96%
37-024	Enderlin Area 24	309.63	343.75	1.1134	382.73	112%	182	54	23	23	98%
38-001	Mohall-Lansford-Sherwood 1	351.01	390.22	1.0769	420.23	168%	204	65	12	35	97%
38-026	Glenburn 26	260.76	287.02	1.1965	343.42	106%	206	42	47	21	96%
39-008	Hankinson 8	279.79	309.76	1.1700	362.42	102%	159	50	16	13	98%
39-018	Fairmount 18	110.50	122.04	1.2500	152.55	143%	29	51	0	2	96%
39-028	Lidgerwood 28	168.10	185.90	1.2500	232.38	98%	89	48	8	12	98%
39-037	Wahpeton 37	1,224.18	1,367.23	1.0000	1,367.23	74%	257	42	12	18	96%
39-042	Wyndmere 42	216.23	241.27	1.2230	295.07	135%	141	49	11	12	98%
39-044	Richland 44	278.60	309.84	1.1700	362.51	94%	187	47	14	12	97%
40-001	Dunseith 1	572.65	643.27	1.0200	656.14	13%	394	64	0	13	93%
40-003	St John 3	350.78	392.56	1.0776	423.02	15%	263	125	1	2	95%
40-004	Mt Pleasant 4	231.38	254.78	1.2127	308.97	130%	36	58	25	6	96%
40-007	Belcourt 7	1,618.79	1,807.00	1.0000	1,807.00	1%	1,084	33	0	17	92%
40-029	Rolette 29	155.81	172.18	1.2500	215.23	85%	103	70	2	7	97%
41-002	Milnor 2	220.12	244.14	1.2200	297.85	67%	36	43	6	12	97%
41-003	North Sargent 3	224.66	251.17	1.2200	306.43	57%	-	48	17	3	97%
41-006	Sargent Central 6	219.23	241.08	1.2200	294.12	184%	170	56	0	8	96%
42-016	Goodrich 16	22.75	25.22	1.2500	31.53	337%	12	36	0	3	98%

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
42-019	McClusky 19	79.56	95.37	1.2500	119.21	166%	38	63	3	5	96%
43-003	Solen 3	181.79	204.63	1.2500	255.79	33%	190	36	0	22	88%
43-004	Ft Yates 4	296.37	343.70	1.1347	390.00	8%	-	-	0	16	89%
43-008	Selfridge 8	66.19	81.66	1.2500	102.08	84%	39	63	1	2	91%
44-012	Marmarth 12	15.73	19.09	1.2500	23.86	997%	2	15	0	4	96%
44-032	Central Elem 32	2.00	2.38	1.2500	2.98	8,802%	2	17	0	21	95%
45-001	Dickinson 1	2,731.09	3,040.46	1.0000	3,040.46	85%	209	51	58	51	97%
45-009	South Heart 9	242.76	267.28	1.2100	323.41	99%	147	45	38	43	96%
45-013	Belfield 13	228.77	252.10	1.2200	307.56	63%	54	51	14	13	96%
45-034	Richardton-Taylor 34	263.18	291.78	1.1900	347.22	112%	-	52	47	8	95%
46-010	Hope 10	92.16	101.57	1.2500	126.96	368%	43	58	6	6	98%
46-019	Finley-Sharon 19	135.43	149.17	1.2500	186.46	215%	68	58	3	11	96%
47-001	Jamestown 1	2,142.00	2,401.51	1.0000	2,401.51	70%	1	50	38	94	95%
47-003	Medina 3	141.79	157.08	1.2500	196.35	119%	89	70	36	2	97%
47-010	Pingree-Buchanan 10	152.82	167.87	1.2500	209.84	105%	154	60	63	8	98%
47-014	Montpelier 14	105.07	115.85	1.2500	144.81	118%	86	49	32	12	96%
47-019	Kensal 19	34.50	38.06	1.2500	47.58	327%	12	67	5	8	96%
48-010	North Star 10	243.66	277.31	1.2315	341.51	152%	4	75	7	16	97%
49-003	Central Valley 3	217.74	238.80	1.2200	291.34	136%	222	49	4	48	99%
49-007	Hatton Eielson 7	182.53	202.31	1.2500	252.89	108%	108	37	3	26	95%
49-009	Hillsboro 9	393.42	434.09	1.0309	447.50	113%	144	43	20	10	97%
49-014	May-Port CG 14	490.01	541.56	1.0200	552.39	103%	188	56	18	30	97%
50-003	Grafton 3	804.99	933.81	1.0100	943.15	53%	132	45	25	32	95%
50-005	Fordville-Lankin 5	54.99	60.44	1.2500	75.55	310%	40	56	3	36	95%
50-020	Minto 20	200.75	223.38	1.2353	275.94	83%	45	41	25	6	97%
50-078	Park River 78	402.55	445.19	1.0235	455.65	70%	166	33	59	13	98%
50-128	Adams 128	38.25	41.97	1.2500	52.46	216%	22	42	1	18	97%
51-001	Minot 1	7,014.47	7,841.95	1.0000	7,841.95	89%	326	36	215	169	93%
51-004	Nedrose 4	226.20	249.49	1.0000	249.49	174%	364	28	39	80	96%
51-007	United 7	575.61	633.81	1.0200	646.49	74%	795	35	51	75	95%
51-016	Sawyer 16	128.89	142.00	1.2500	177.50	117%	67	42	14	30	96%
51-028	Kenmare 28	292.56	325.83	1.1400	371.45	122%	62	152	31	10	95%
51-041	Surrey 41	369.47	405.31	1.0600	429.63	62%	184	44	76	27	96%
51-070	South Prairie 70	172.88	189.96	1.1700	222.25	185%	209	42	39	51	95%

STATE AID FORMULA AND OTHER DISTRICT STATISTICS FOR 2012-2013

No.	District Name	1. State Aid Formula Statistics					2. Other District Statistics				
		ADM	Weighted ADM	School Size Factor	Weighted Student Units	Equity Percent	Rural Students Transported	Average Route	Open Enrolled In	Open Enrolled Out	ADA Percent
51-160	Minot AFB 160	0.00	0.00	-	0.00	0%	-	-	0	0	0%
51-161	Lewis and Clark 161	367.84	404.13	1.0600	428.38	140%	226	50	15	53	96%
52-025	Fessenden-Bowdon 25	134.40	148.60	1.2500	185.75	262%	83	62	10	12	97%
52-035	Pleasant Valley 35	7.00	7.80	1.2500	9.75	746%	8	39	0	5	95%
52-038	Harvey 38	413.67	454.90	1.0200	464.00	95%	176	71	20	5	97%
53-001	Williston 1	2,612.19	2,909.72	1.0000	2,909.72	62%	4	5	121	94	95%
53-002	Nesson 2	249.19	273.87	1.2000	328.64	114%	121	58	19	12	95%
53-006	Eight Mile 6	171.49	189.25	1.2500	236.56	57%	95	32	46	9	95%
53-008	New 8	208.79	229.69	1.0000	229.69	315%	118	30	66	124	95%
53-015	Tioga 15	308.39	338.54	1.1100	375.78	207%	85	52	6	17	94%
53-099	Grenora 99	117.83	131.39	1.2500	164.24	184%	60	36	0	9	95%
	Statewide Total	96,601.91	108,010.37		113,064.02	100%	26,351	46	3,777	3,777	96%

Data sources: The most recent data available as of the date of this publication.

1. State Aid Formula Statistics

ADM is the average daily membership for state aid purposes.

Weighted ADM is ADM plus additional weighted units included in the state aid formula for special populations, summer programs and isolated schools.

School Size Factor is the school district size factor applied based on district ADM. The factors ranges between 1.25 and 1.00.

Weighted Student Units is determined by multiplying the school district size factor times the weighted student units.

Equity Percent is the district's imputed taxable valuation per student divided by the state average imputed taxable valuation per student. Districts below 90% of the state average receive an equity payment.

Districts above 150% have their state aid payment reduced. Districts between 90% and 150% of the state average are not adjusted.

2. Other District Statistics

Rural Students Transported is the estimated number of rural students transported in the district.

Average Route Miles is the average bus route in miles.

Open Enrolled In is the number of students attending the district under open enrollment.

Open Enrolled Out is the number of resident students attending another district under open enrollment.

ADA percent is the average daily attendance rate for the school district. This number is taken from school district financial reports.

**Property Tax Savings Comparison
Current 75 MLRG Program v. HB 1319**

Property Type	True and Full Value	Total Tax Liability (city, county, school) at statewide average of 387 mills before the 75 mill MLRG buydown	Property Tax Savings under Current 75 MLRG Program	Additional Property Tax Savings under HB 1319	Total Property Tax Savings under HB 1319	% of Prop tax savings
Home	\$ 180,000	\$ 3,135	\$ 608	\$ 486	\$ 1,094	35%
	\$ 250,000	\$ 4,354	\$ 844	\$ 675	\$ 1,519	35%
	\$ 400,000	\$ 6,966	\$ 1,350	\$ 1,080	\$ 2,430	29%
Commercial Business	\$ 500,000	\$ 9,675	\$ 1,875	\$ 1,500	\$ 3,375	29%
	\$ 700,000	\$ 13,545	\$ 2,625	\$ 2,100	\$ 4,725	35%
	\$ 1,000,000	\$ 19,350	\$ 3,750	\$ 3,000	\$ 6,750	35%
Farm/Ranch	Avg 1,300 Acres					
	Cropland	15,207	\$ 2,947	\$ 2,358	\$ 5,305	35%
	Non-cropland	3,067	\$ 595	\$ 475	\$ 1,070	35%
	Total	18,274	\$ 3,541	\$ 2,834	\$ 6,375	35%

Sixty-third
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1319

Introduced by

Representatives Monson, Heilman, Nathe, Rust, Sanford, Schatz, Williams

Senators Cook, Flakoll, Holmberg, Heckaman, O'Connell

1 A BILL for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, 15.1-27-04.3, and
2 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to
3 school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40,
4 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, ~~15.1-27-04~~15.1-27-03.2,
5 15.1-27-17, 15.1-27-35, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09,
6 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01,
7 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the determination of state
8 aid payable to school districts; to repeal sections 15.1-27-04, 15.1-27-07.1, 15.1-27-11,
9 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04, 57-19-10,
10 and chapter 57-64 of the North Dakota Century Code, relating to the determination of state aid
11 payable to school districts, school district levy authority, and the mill levy reduction grant
12 program; and to provide for a legislative management study.

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

14 **SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15-39.1-28. Tax levy for teachers' retirement.**

17 Any school district by a resolution of its school board may ~~levy a tax pursuant to~~
18 ~~subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2,
19 ~~the proceeds to be used~~ for the purposes of meeting the district's contribution to the fund arising
20 under this chapter and to provide the district's share, if any, of contribution to the fund for
21 contracted employees of either a multidistrict special education board or another school district
22 where the contracted employees are also providing services to the taxing school district.

23 **SECTION 2. AMENDMENT.** Section 15.1-09-33 of the North Dakota Century Code is
24 amended and reenacted as follows:

1 **15.1-09-33. School board - Powers.**

2 The board of a school district may:

- 3 1. Establish a system of free public schools for all children of legal school age residing
- 4 within the district.
- 5 2. Organize, establish, operate, and maintain elementary, middle, and high schools.
- 6 3. Have custody and control of all school district property and, in the case of the board of
- 7 education of the city of Fargo, have custody and control of all public school property
- 8 within the boundaries of the Fargo public school district and to manage and control all
- 9 school matters.
- 10 4. Acquire real property and construct school buildings and other facilities.
- 11 5. Relocate or discontinue schools and liquidate the assets of the district as required by
- 12 law; provided no site may be acquired or building constructed, or no school may be
- 13 organized, established, operated, maintained, discontinued, or changed in location
- 14 without the approval of the state board of public school education if outside the
- 15 boundary of the district.
- 16 6. Purchase, sell, exchange, and improve real property.
- 17 7. Lease real property for a maximum of one year except in the case of a career and
- 18 technical education facility constructed in whole or in part with financing acquired
- 19 under chapter 40-57, which may be leased for up to twenty years.
- 20 8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real
- 21 property for school purposes.
- 22 9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture,
- 23 supplies, and textbooks.
- 24 10. Recruit or contract with others to recruit homes and facilities which provide boarding
- 25 care for special education students.
- 26 11. Provide dormitories for the boarding care of special education students.
- 27 12. Insure school district property.
- 28 13. Independently or jointly with other school districts, purchase telecommunications
- 29 equipment or lease a telecommunications system or network.
- 30 14. Provide for the education of students by another school district.
- 31 15. Contract with federal officials for the education of students in a federal school.

- 1 16. Prescribe courses of study in addition to those prescribed by the superintendent of
- 2 public instruction or by law.
- 3 17. Adopt rules regarding the instruction of students, including their admission, transfer,
- 4 organization, grading, and government.
- 5 18. Join the North Dakota high school activities association and pay membership fees.
- 6 19. Adopt alternative curricula for high school seniors who require fewer than four
- 7 academic units.
- 8 20. Contract with, employ, and compensate school district personnel.
- 9 21. Contract with and provide reimbursement for the provision of teaching services by an
- 10 individual certified as an instructor in the areas of North Dakota American Indian
- 11 languages and culture by the education standards and practices board.
- 12 22. Suspend school district personnel.
- 13 23. Dismiss school district personnel.
- 14 24. Participate in group insurance plans and pay all or part of the insurance premiums.
- 15 25. Contract for the services of a district superintendent, provided that the contract, which
- 16 may be renewed, does not exceed a period of three years.
- 17 26. Contract for the services of a principal.
- 18 27. Employ an individual to serve as the school district business manager or contract with
- 19 any person to perform the duties assigned to a school district business manager by
- 20 law.
- 21 28. Suspend or dismiss a school district business manager for cause without prior notice.
- 22 29. Suspend or dismiss a school district business manager without cause with thirty days'
- 23 written notice.
- 24 30. Defray the necessary and contingent expenses of the board.
- 25 31. Levy a tax upon property in the district for school purposes, as permitted in
- 26 accordance with chapter 57-15.
- 27 32. Amend and certify budgets and tax levies, as provided in title 57.
- 28 33. Pay dues allowing for the board to hold membership in city, county, state, and national
- 29 organizations and associations.
- 30 34. Designate, at its annual meeting, a newspaper of general circulation as the official
- 31 newspaper of the district.

1 **SECTION 3. AMENDMENT.** Section 15.1-09-39 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15.1-09-39. Districts in bordering states - Contract.**

- 4 1. Notwithstanding any other provision of law, the board of a school district in this state
5 may contract with the board of a school district in another state for the joint operation
6 and maintenance of school facilities and for joint activities, if the districts are
7 contiguous. To be valid, the contract must be approved by the superintendent of public
8 instruction and by a majority of the qualified electors residing in the district.
- 9 2. In assessing the contract, the superintendent shall consider the district's enrollment,
10 its valuation, and its longevity.
- 11 3. If the superintendent approves the contract, the board shall submit the contract to the
12 electorate of the district, for approval, at an annual or a special election.
- 13 4. The board shall publish notice of the election in the official newspaper of the district at
14 least fourteen days before the election. The notice must include a statement regarding
15 the purpose of the election and the terms of the contract.
- 16 5. On the ballot, the board shall seek the voters' permission to execute the proposed
17 contract, as approved by the superintendent of public instruction.
- 18 6. If the voters approve the execution of the contract, the board may levy and collect
19 taxes, as permitted in accordance with chapter 57-15, to carry out the contract
20 pursuant to law.
- 21 7. If a district that is a party to a contract under this section dissolves, any district to
22 which the land of the dissolved district is attached shall assume the contractual
23 responsibilities.

24 **SECTION 4. AMENDMENT.** Section 15.1-09-40 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15.1-09-40. Sharing of levied taxes - Contract.**

27 The boards of two or more school districts may contract to share levied taxes in all or a
28 portion of their respective districts. The rate of taxes to be levied on any property in the joint
29 taxing area or district is the rate of tax provided for in the contract, not exceeding any levy
30 limitations ~~applicable to the property~~ under chapter 57-15. The auditor of each county in which
31 all or a portion of a contracting district is located shall fix and levy taxes on that portion of the

1 property which is described in the contract and is located in the county at the rate set by the
2 contract.

3 **SECTION 5. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **15.1-09-47. Board of education of city of Fargo - Taxing authority.**

6 ~~1.~~ The board of education of the city of Fargo may levy taxes, as necessary for any of the
7 following purposes:

- 8 a. ~~To purchase, exchange, lease, or improve sites for schools.~~
- 9 b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their~~
10 ~~appurtenances.~~
- 11 c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and~~
12 ~~appendages, but not the furnishing of textbooks to any student whose parent is~~
13 ~~unable to furnish the same.~~
- 14 d. ~~To provide fuel.~~
- 15 e. ~~To defray the contingent expenses of the board, including the compensation of~~
16 ~~employees.~~
- 17 f. ~~To pay teacher salaries after the application of public moneys, which may by law~~
18 ~~be appropriated and provided for that purpose.~~

19 ~~2.~~ The question of authorizing or discontinuing the unlimited taxing authority of the board
20 of education of the city of Fargo must be submitted to the qualified electors of the
21 Fargo school district at the next regular election upon resolution of the board of
22 education or upon filing with the board a petition containing the signatures of qualified
23 electors of the district equal in number to twenty percent of the individuals enumerated
24 in the most recent school district census. However, if the electors approve a
25 discontinuation of the unlimited taxing authority, their approval of the discontinuation
26 may not affect the tax levy effective for the calendar year in which the election is held.
27 In addition, the minimum levy may not be less than the levy that was in force at the
28 time of the election. The board may increase its levy in accordance with section
29 57-15-01. If the district experiences growing enrollment, the board may increase the
30 levy by an amount equal to the amount levied the preceding year per student times the

1 ~~number of additional students enrolled during the new year~~within the requirements or
2 limitations of this title and title 57.

3 **SECTION 6. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **15.1-09-48. Board of education of city of Fargo - Tax collection.**

6 The board of education of the city of Fargo ~~has the power to~~may levy taxes within the
7 boundaries of the Fargo public school district and ~~to cause such~~the taxes to be collected in the
8 same manner as other city taxes, provided the taxes meet the requirements or limitations of this
9 title and title 57. The business manager of the board of education shall ~~cause~~certify the rate for
10 each purpose ~~to be certified by the business manager~~ to the city auditor in time to be added to
11 the annual tax list of the city. ~~It is the duty of the~~The city auditor ~~to~~shall calculate and extend
12 upon the annual assessment roll and tax list any tax levied by the board of education. The tax
13 must be collected in the same manner as other city taxes ~~are collected~~. If the city council fails to
14 levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the
15 board of education may ~~cause~~make an assessment roll and tax list ~~to be made~~ and submit the
16 roll to the city auditor with a warrant for the collection of the tax. The board of education may
17 cause the tax to be collected in the same manner as other city taxes are collected or as
18 otherwise provided by resolution of the board.

19 **SECTION 7. AMENDMENT.** Section 15.1-09-49 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15.1-09-49. Board of education of city of Fargo - Taxes for buildings.**

22 The amount to be raised for teacher salaries and contingent expenses must be such only
23 as together with the public money coming to the city from any source is sufficient to establish
24 and maintain efficient and proper schools for students in the city. The tax for purchasing,
25 leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and
26 repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the~~
27 taxable valuation of property of the city in the school district. The board of education may borrow,
28 and when necessary shall borrow, in anticipation of the ~~amount of the~~ taxes to be raised, levied,
29 and collected.

30 **SECTION 8. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-22-01. Kindergarten - Establishment by board - Request by parent -Levy.**

2 4. The board of a school district shall either provide at least a half-day kindergarten
3 program for any student enrolled in the district or pay the tuition required for the
4 student to attend a kindergarten program in another school district.

5 2. ~~The board of a school district that establishes a kindergarten under this section may~~
6 ~~levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

7 **SECTION 9. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15.1-27-03.1. (Effective ~~through June 30, 2013,~~ and after June 30, 2015) Weighted**
10 **average daily membership - Determination.**

- 11 1. For each school district, the superintendent of public instruction shall multiply by:
- 12 a. 1.00 the number of full-time equivalent students enrolled in a migrant summer
13 program;
- 14 b. 1.00 the number of full-time equivalent students enrolled in an extended
15 educational program in accordance with section 15.1-32-17;
- 16 c. 0.60 the number of full-time equivalent students enrolled in a summer education
17 program;
- 18 d. 0.50 the number of full-time equivalent students enrolled in a home-based
19 education program and monitored by the school district under chapter 15.1-23;
- 20 e. 0.30 the number of full-time equivalent students who:
- 21 (1) On a test of English language proficiency approved by the superintendent of
22 public instruction are determined to be least proficient and placed in the first
23 of six categories of proficiency; and
- 24 (2) Are enrolled in a program of instruction for English language learners;
- 25 f. 0.25 the number of full-time equivalent students enrolled in an alternative high
26 school;
- 27 g. 0.20 the number of full-time equivalent students attending school in a bordering
28 state in accordance with section 15.1-29-01;
- 29 h. 0.20 the number of full-time equivalent students who:
- 30 (1) On a test of English language proficiency approved by the superintendent of
31 public instruction are determined to be more proficient than students placed

- 1 in the first of six categories of proficiency and therefore placed in the second
2 of six categories of proficiency; and
- 3 (2) Are enrolled in a program of instruction for English language learners;
- 4 i. 0.17 the number of full-time equivalent students enrolled in an early childhood
5 special education program;
- 6 j. 0.10 the number of students enrolled in average daily membership, if the district
7 has fewer than one hundred twenty-five students enrolled in average daily
8 membership and the district consists of an area greater than two hundred
9 seventy-five square miles [19424.9 hectares], provided that any school district
10 consisting of an area greater than six hundred square miles [155399 hectares]
11 and enrolling fewer than fifty students in average daily membership must be
12 deemed to have an enrollment equal to fifty students in average daily
13 membership;
- 14 k. ~~0.0790~~0.082 the number of students enrolled in average daily membership, in
15 order to support the provision of special education services;
- 16 l. 0.07 the number of full-time equivalent students who:
- 17 (1) On a test of English language proficiency approved by the superintendent of
18 public instruction are determined to be more proficient than students placed
19 in the second of six categories of proficiency and therefore placed in the
20 third of six categories of proficiency;
- 21 (2) Are enrolled in a program of instruction for English language learners; and
- 22 (3) Have not been in the third of six categories of proficiency for more than
23 three years;
- 24 m. 0.025 the number of students representing that percentage of the total number of
25 students in average daily membership which is equivalent to the three-year
26 average percentage of students in grades three through eight who are eligible for
27 free or reduced lunches under the Richard B. Russell National School Lunch Act
28 [42 U.S.C. 1751 et seq.];
- 29 n. ~~0.0060~~0.003 the number of students enrolled in average daily membership in each
30 public school in the district that:
- 31 (1) Has acquired and is utilizing the PowerSchool student information system;

- 1 (2) Has acquired and is in the process of implementing the PowerSchool
- 2 student information system; or
- 3 (3) Will acquire the PowerSchool student information system during the current
- 4 school year, provided the acquisition is contractually demonstrated; and
- 5 o. ~~0.004~~0.002 the number of students enrolled in average daily membership in a
- 6 school district that is a participating member of a regional education association
- 7 meeting the requirements of chapter 15.1-09.1.
- 8 2. The superintendent of public instruction shall determine each school district's weighted
- 9 average daily membership by adding the products derived under subsection 1 to the
- 10 district's average daily membership.

11 **(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership -**
12 **Determination.**

- 13 1. For each school district, the superintendent of public instruction shall multiply by:
- 14 a. 1.00 the number of full-time equivalent students enrolled in a migrant summer
- 15 program;
- 16 b. 1.00 the number of full-time equivalent students enrolled in an extended
- 17 educational program in accordance with section 15.1-32-17;
- 18 c. 0.60 the number of full-time equivalent students enrolled in a summer education
- 19 program;
- 20 d. 0.50 the number of full-time equivalent students enrolled in a home-based
- 21 education program and monitored by the school district under chapter 15.1-23;
- 22 e. 0.30 the number of full-time equivalent students who:
- 23 (1) On a test of English language proficiency approved by the superintendent of
- 24 public instruction are determined to be least proficient and placed in the first
- 25 of six categories of proficiency; and
- 26 (2) Are enrolled in a program of instruction for English language learners;
- 27 f. 0.25 the number of full-time equivalent students enrolled in an alternative high
- 28 school;
- 29 g. 0.20 the number of full-time equivalent students attending school in a bordering
- 30 state in accordance with section 15.1-29-01;
- 31 h. 0.20 the number of full-time equivalent students who:

- 1 (1) On a test of English language proficiency approved by the superintendent of
2 public instruction are determined to be more proficient than students placed
3 in the first of six categories of proficiency and therefore placed in the second
4 of six categories of proficiency; and
- 5 (2) Are enrolled in a program of instruction for English language learners;
- 6 i. 0.17 the number of full-time equivalent students enrolled in an early childhood
7 special education program;
- 8 j. 0.15 the number of full-time equivalent students in grades six through eight
9 enrolled in an alternative education program for at least an average of fifteen
10 hours per week;
- 11 k. 0.10 the number of students enrolled in average daily membership, if the district
12 has fewer than one hundred twenty-five students enrolled in average daily
13 membership and the district consists of an area greater than two hundred
14 seventy-five square miles [19424.9 hectares], provided that any school district
15 consisting of an area greater than six hundred square miles [155399 hectares]
16 and enrolling fewer than fifty students in average daily membership must be
17 deemed to have an enrollment equal to fifty students in average daily
18 membership;
- 19 l. ~~0.0790~~0.082 the number of students enrolled in average daily membership, in
20 order to support the provision of special education services;
- 21 m. 0.07 the number of full-time equivalent students who:
- 22 (1) On a test of English language proficiency approved by the superintendent of
23 public instruction are determined to be more proficient than students placed
24 in the second of six categories of proficiency and therefore placed in the
25 third of six categories of proficiency;
- 26 (2) Are enrolled in a program of instruction for English language learners; and
27 (3) Have not been in the third of six categories of proficiency for more than
28 three years;
- 29 n. 0.025 the number of students representing that percentage of the total number of
30 students in average daily membership which is equivalent to the three-year
31 average percentage of students in grades three through eight who are eligible for

- 1 free or reduced lunches under the Richard B. Russell National School Lunch Act
2 [42 U.S.C. 1751 et seq.];
3 o. ~~0.0060.003~~ 0.0040.002 the number of students enrolled in average daily membership in each
4 public school in the district that:
5 (1) Has acquired and is utilizing the PowerSchool student information system;
6 (2) Has acquired and is in the process of implementing the PowerSchool
7 student information system; or
8 (3) Will acquire the PowerSchool student information system during the current
9 school year, provided the acquisition is contractually demonstrated; and
10 p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a
11 school district that is a participating member of a regional education association
12 meeting the requirements of chapter 15.1-09.1.
13 2. The superintendent of public instruction shall determine each school district's weighted
14 average daily membership by adding the products derived under subsection 1 to the
15 district's average daily membership.

16 ~~SECTION 9. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code is~~
17 ~~amended and reenacted as follows:~~

18 ~~15.1-27-04. Per student payment rate.~~

19 ~~1. a. The per student payment rate to which each school district is entitled for the first~~
20 ~~year of the biennium is threeeight thousand nineeight hundred ten dollars.~~

21 ~~b. The per student payment rate to which each school district is entitled for the~~
22 ~~second year of the biennium is threenine thousand nine hundred eighty ninety two~~
23 ~~dollars.~~

24 ~~2. In order to determine the state aid payment to which each district is entitled, the~~
25 ~~superintendent of public instruction shall multiply each district's weighted student units~~
26 ~~by the per student payment rate set forth in subsection 1.~~

27 **SECTION 10. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15.1-27-03.2. School district size weighting factor - Weighted student units.**

- 30 1. For each high school district in the state, the superintendent of public instruction shall
31 assign a school district size weighting factor of:

- 1 a. ~~1.25~~1.35 if the students in average daily membership number fewer than ~~185~~125;
- 2 b. 1.34 if the students in average daily membership number at least 125 but fewer
- 3 than 130;
- 4 c. 1.33 if the students in average daily membership number at least 130 but fewer
- 5 than 135;
- 6 d. 1.32 if the students in average daily membership number at least 135 but fewer
- 7 than 140;
- 8 e. 1.31 if the students in average daily membership number at least 140 but fewer
- 9 than 145;
- 10 f. 1.30 if the students in average daily membership number at least 145 but fewer
- 11 than 150;
- 12 g. 1.29 if the students in average daily membership number at least 150 but fewer
- 13 than 155;
- 14 h. 1.28 if the students in average daily membership number at least 155 but fewer
- 15 than 160;
- 16 i. 1.27 if the students in average daily membership number at least 160 but fewer
- 17 than 165;
- 18 j. 1.26 if the students in average daily membership number at least 165 but fewer
- 19 than 175;
- 20 k. 1.25 if the students in average daily membership number at least 175 but fewer
- 21 than 185;
- 22 ~~b.l.~~ 1.24 if the students in average daily membership number at least 185 but fewer
- 23 than 200;
- 24 ~~e.m.~~ 1.23 if the students in average daily membership number at least 200 but fewer
- 25 than 215;
- 26 ~~e.n.~~ 1.22 if the students in average daily membership number at least 215 but fewer
- 27 than 230;
- 28 ~~e.o.~~ 1.21 if the students in average daily membership number at least 230 but fewer
- 29 than 245;
- 30 ~~f.p.~~ 1.20 if the students in average daily membership number at least 245 but fewer
- 31 than 260;

1	g-g.	1.19 if the students in average daily membership number at least 260 but fewer
2		than 270;
3	h-h.	1.18 if the students in average daily membership number at least 270 but fewer
4		than 275;
5	i-i.	1.17 if the students in average daily membership number at least 275 but fewer
6		than 280;
7	j-j.	1.16 if the students in average daily membership number at least 280 but fewer
8		than 285;
9	k-k.	1.15 if the students in average daily membership number at least 285 but fewer
10		than 290;
11	l-l.	1.14 if the students in average daily membership number at least 290 but fewer
12		than 295;
13	m-m.	1.13 if the students in average daily membership number at least 295 but fewer
14		than 300;
15	n-n.	1.12 if the students in average daily membership number at least 300 but fewer
16		than 305;
17	o-o.	1.11 if the students in average daily membership number at least 305 but fewer
18		than 310;
19	p-p.	1.10 if the students in average daily membership number at least 310 but fewer
20		than 320;
21	q-aa.	1.09 if the students in average daily membership number at least 320 but fewer
22		than 335;
23	r-bb.	1.08 if the students in average daily membership number at least 335 but fewer
24		than 350;
25	s-cc.	1.07 if the students in average daily membership number at least 350 but fewer
26		than 360;
27	t-dd.	1.06 if the students in average daily membership number at least 360 but fewer
28		than 370;
29	u-ee.	1.05 if the students in average daily membership number at least 370 but fewer
30		than 380;

- 1 ~~v:ff.~~ 1.04 if the students in average daily membership number at least 380 but fewer
 - 2 than 390;
 - 3 ~~w:gg.~~ 1.03 if the students in average daily membership number at least 390 but fewer
 - 4 than 400;
 - 5 ~~x:hh.~~ 1.02 if the students in average daily membership number at least 400 but fewer
 - 6 than 600;
 - 7 ~~y:ii.~~ 1.01 if the students in average daily membership number at least 600 but fewer
 - 8 than 900; and
 - 9 ~~z:jj.~~ 1.00 if the students in average daily membership number at least 900.
- 10 2. For each elementary district in the state, the superintendent of public instruction shall
 - 11 assign a weighting factor of:
 - 12 a. 1.25 if the students in average daily membership number fewer than 125;
 - 13 b. 1.17 if the students in average daily membership number at least 125 but fewer
 - 14 than 200; and
 - 15 c. 1.00 if the students in average daily membership number at least 200.
 - 16 3. The school district size weighting factor determined under this section and multiplied
 - 17 by a school district's weighted average daily membership equals the district's weighted
 - 18 student units.
 - 19 4. Notwithstanding the provisions of this section, the school district size weighting factor
 - 20 assigned to a district may not be less than the factor arrived at when the highest
 - 21 number of students possible in average daily membership is multiplied by the school
 - 22 district size weighting factor for the subdivision immediately preceding the district's
 - 23 actual subdivision and then divided by the district's average daily membership.

24 **SECTION 11.** Section 15.1-27-04.1 of the North Dakota Century Code is created and
25 enacted as follows:

26 **15.1-27-04.1. State aid - Determination.**

- 27 1. In order to determine the amount of state aid to which each school district is annually
28 entitled, the superintendent of public instruction shall:
 - 29 a. Multiply the number of weighted student units by ~~the payment rate established in~~
30 ~~section 15.1-27-04~~eight thousand eight hundred ten during the first year of the
31 biennium and nine thousand ninety-two during the second year of the biennium;

- 1 b. Subtract from the product derived under subdivision a, an amount equal to fifty
2 mills times the taxable valuation of the school district; and
- 3 c. Subtract from the product derived under subdivision b, an amount equal to
4 seventy-five percent of all:
 - 5 (1) Mineral revenue ~~in excess of two million dollars,~~ received by the school
6 district and reported under code 2000 of the North Dakota school district
7 financial accounting and reporting manual, as developed by the
8 superintendent of public instruction in accordance with section 15.1-02-08;
 - 9 (2) Tuition revenue received by the school district and reported under code
10 1300 of the North Dakota school district financial accounting and reporting
11 manual, as developed by the superintendent of public instruction in
12 accordance with section 15.1-02-08, with the exception of revenue received
13 specifically for the operation of an educational program provided at a
14 residential treatment facility;
 - 15 (3) Revenue received by the school district from payments in lieu of taxes on
16 the distribution and transmission of electric power;
 - 17 (4) Revenue received by the school district from payments in lieu of taxes on
18 electricity generated from sources other than coal;
 - 19 (5) Revenue received by the school district from mobile home taxes;
 - 20 (6) Revenue received by the school district from the leasing of land acquired by
21 the United States for which compensation is allocated to the state under 33
22 U.S.C. 701(c)(3);
 - 23 (7) Telecommunications tax revenue received by the school district; and
 - 24 (8) Revenue received by the school district from payments in lieu of taxes and
25 state reimbursement of the homestead credit and disabled veterans' credit.
- 26 2. The amount remaining after the computation required under subsection 1 is the
27 amount of state aid to which a school district is entitled, subject to any other statutory
28 requirements or limitations.

29 **SECTION 12.** Section 15.1-27-04.2 of the North Dakota Century Code is created and
30 enacted as follows:

1 **15.1-27-04.2. State aid - Minimum local effort - Determination.**

2 If a district's taxable valuation per student is less than forty percent of the state average
3 valuation per student, the superintendent of public instruction, for purposes of determining state
4 aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times the
5 state average valuation per student multiplied by the number of weighted student units in the
6 district.

7 **SECTION 13.** Section 15.1-27-04.3 of the North Dakota Century Code is created and
8 enacted as follows:

9 **15.1-27-04.3. Baseline ~~payment~~funding.**

10 ~~1. The superintendent of public instruction shall determine each school district's baseline~~
11 ~~funding per weighted student unit by:~~

12 ~~a. Multiplying the district's general fund mill levy for the 2008 taxable year less fifty~~
13 ~~mills by the taxable valuation of the school district;~~

14 ~~b. Adding all state aid received by the district during the 2012-13 school year;~~

15 ~~c. Subtracting the amount received by the district during the 2012-13 school year~~
16 ~~for transportation aid, special education excess cost reimbursements, and special~~
17 ~~education contracts; and~~

18 ~~d. Dividing the remainder by the district's 2012-13 weighted student units.~~

19 ~~2. a. The superintendent of public instruction shall ensure that the total amount of~~
20 ~~state aid payable to a district per weighted student unit, for the 2013-14 school~~
21 ~~year, exclusive of any payments for transportation aid, special education excess~~
22 ~~cost reimbursements, and special education contracts, is at least equal to one~~
23 ~~hundred two percent of the total baseline funding received per weighted student~~
24 ~~unit, as established in subsection 1.~~

25 ~~b. The superintendent of public instruction shall ensure that the total amount of~~
26 ~~state aid payable to a district per weighted student unit, for the 2014-15 school~~
27 ~~year, exclusive of any payments for transportation aid, special education excess~~
28 ~~cost reimbursements, and special education contracts, is at least equal to the~~
29 ~~greater of:~~

30 ~~(1) One hundred four percent of the total baseline funding received per~~
31 ~~weighted student unit, as established in subsection 1; or~~

- 1 ~~(2) Ninety eight percent of the state aid paid to the district for the 2013-14~~
- 2 ~~school year, exclusive of any payments for transportation aid, special~~
- 3 ~~education excess cost reimbursements, and special education contracts.~~
- 4 ~~3. a. The superintendent of public instruction shall ensure that the total amount of~~
- 5 ~~state aid payable to a district per weighted student unit, for the 2013-14 school~~
- 6 ~~year, exclusive of any payments for transportation aid, special education excess~~
- 7 ~~cost reimbursements, and special education contracts, does not exceed one~~
- 8 ~~hundred ten percent of the total baseline funding received per weighted student~~
- 9 ~~unit, as established in subsection 1.~~
- 10 ~~b. The superintendent of public instruction shall ensure that the total amount of~~
- 11 ~~state aid payable to a district per weighted student unit, for the 2014-15 school~~
- 12 ~~year, exclusive of any payments for transportation aid, special education excess~~
- 13 ~~cost reimbursements, and special education contracts, does not exceed one~~
- 14 ~~hundred twenty percent of the total baseline funding received per weighted~~
- 15 ~~student unit, as established in subsection 1.~~
- 16 1. The superintendent of public instruction shall calculate each school district's baseline
- 17 funding per weighted student unit by:
- 18 a. Determining the state aid received by the district in accordance with chapter
- 19 15.1-27 during the 2012-13 school year;
- 20 b. Adding to the determination under subdivision a:
- 21 (1) The district's 2012-13 mill levy reduction grant, as determined in accordance
- 22 with chapter 57-64, as it existed on June 30, 2013;
- 23 (2) An amount equal to that raised by the district's 2012 general fund levy or
- 24 that raised by one hundred ten mills of the district's 2012 general fund levy,
- 25 whichever is less;
- 26 (3) An amount equal to that raised by the district's 2012 long-distance learning
- 27 and educational technology levy;
- 28 (4) An amount equal to that raised by the district's 2012 alternative education
- 29 program levy; and
- 30 (5) An amount equal to seventy-five percent of the revenue received by the
- 31 district during the 2012-13 school year from the sources listed in

- 1 paragraphs 1 through 8 of subdivision c of subsection 1 of section
2 15.1-27-04.1; and
3 c. Dividing the sum by the district's weighted student units.
4 2. For the 2013-14 school year, the superintendent of public instruction shall ensure that
5 the total amount of state aid payable to a district per weighted student unit, as
6 determined in accordance with section 15.1-27-04.1, is:
7 a. No less than 102 percent of the baseline funding per weighted student unit
8 established under this section or 100 percent of the district's total baseline
9 funding, whichever is greater; and
10 b. No more than 110 percent of the baseline funding per weighted student unit
11 established under this section.
12 3. For the 2014-15 school year, the superintendent of public instruction shall ensure that
13 the total amount of state aid payable to a district per weighted student unit, as
14 determined in accordance with section 15.1-27-04.1, is:
15 a. No less than 104 percent of the baseline funding per weighted student unit
16 established under this section or 100 percent of the district's total baseline
17 funding, whichever is greater; and
18 b. No more than 120 percent of the baseline funding per weighted student unit
19 established under this section.

20 **SECTION 14. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **15.1-27-17. Per student payments - Reorganization of school districts - Separate**
23 **weighting factor.**

- 24 1. ~~Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public~~
25 ~~instruction shall create and assign a separate weighting factor to:~~
26 a. ~~Any school district that reorganized on or before June 30, 2007, and which was~~
27 ~~receiving per student payments in accordance with section 15.1-27-17, as that~~
28 ~~section existed on June 30, 2007; and~~
29 b. ~~Any~~ any school district that reorganizes on or after July 1, 2007.

- 1 2. a. The separate weighting factor must allow the reorganized school district to
- 2 receive a payment rate equivalent to that which each separate school district
- 3 would have received had the reorganization not taken place.
- 4 b. The separate weighting factor must be computed to four decimal places.
- 5 c. The provisions of this subsection are effective for a period of four years from the
- 6 date of the reorganization.
- 7 3. At the beginning of the fifth and at the beginning of the sixth years after the date of the
- 8 reorganization, the superintendent of public instruction shall make proportionate
- 9 adjustments in the assigned weighting factor so that beginning with the seventh year
- 10 after the date of the reorganization, the weighting factor that will be applied to the
- 11 reorganized district is that provided in section 15.1-27-03.2.

12 **SECTION 15. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **15.1-27-35. Average daily membership - Calculation.**

- 15 1. a. ~~During the 2009-10 school year, average daily membership is calculated at the~~
- 16 ~~conclusion of the school year by adding the total number of days that each~~
- 17 ~~student in a given grade, school, or school district is in attendance during a~~
- 18 ~~school calendar and the total number of days that each student in a given grade,~~
- 19 ~~school, or school district is absent during a school calendar, and then dividing the~~
- 20 ~~sum by the greater of:~~
- 21 (1) ~~The school district's calendar; or~~
- 22 (2) ~~One hundred eighty.~~
- 23 b. ~~During the 2010-11 school year, average daily membership is calculated at the~~
- 24 ~~conclusion of the school year by adding the total number of days that each~~
- 25 ~~student in a given grade, school, or school district is in attendance during a~~
- 26 ~~school calendar and the total number of days that each student in a given grade,~~
- 27 ~~school, or school district is absent during a school calendar, and then dividing the~~
- 28 ~~sum by the greater of:~~
- 29 (1) ~~The school district's calendar; or~~
- 30 (2) ~~One hundred eighty-one.~~

- 1 e. ~~Beginning with the 2011-12 school year, average~~ Average daily membership is
2 calculated at the conclusion of the school year by adding the total number of
3 days that each student in a given grade, school, or school district is in attendance
4 during a school calendar and the total number of days that each student in a
5 given grade, school, or school district is absent during a school calendar, and
6 then dividing the sum by the greater of:
7 ~~(1)~~a. The school district's calendar; or
8 ~~(2)~~b. One hundred eighty-two.
- 9 2. For purposes of calculating average daily membership, all students are deemed to be
10 in attendance on:
11 a. The three holidays listed in subdivisions b through j of subsection 1 of section
12 15.1-06-02 and selected by the school board in consultation with district
13 teachers;
14 b. The two days set aside for professional development activities under section
15 15.1-06-04; and
16 c. The two full days, or portions thereof, during which parent-teacher conferences
17 are held or which are deemed by the board of the district to be compensatory
18 time for parent-teacher conferences held outside regular school hours.
- 19 3. For purposes of calculating average daily membership:
20 a. A student enrolled full time in any grade from one through twelve may not exceed
21 an average daily membership of 1.00. The membership may be prorated for a
22 student who is enrolled less than full time.
23 b. A student enrolled full time in an approved regular education kindergarten
24 program may not exceed an average daily membership of 1.00. The membership
25 may be prorated for a student who is enrolled less than full time.
26 c. A student enrolled full time, as defined by the superintendent of public instruction,
27 in an approved early childhood special education program may not exceed an
28 average daily membership of 1.00. The membership may be prorated for a
29 student who is enrolled less than full time.

30 **SECTION 16. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-27-39. Annual salary - Minimum amount.**

2 ~~1. Beginning with the 2005-06 school year, the board of each school district shall provide~~
3 ~~to each full-time teacher, under contract for a period of nine months, a minimum salary~~
4 ~~level for the contract period equal to at least twenty-two thousand dollars.~~

5 2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall
6 provide to each full-time teacher, under contract for a period of nine months, a
7 minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven
8 thousand five hundred dollars.

9 **SECTION 17.** Section 15.1-27-45 of the North Dakota Century Code is created and enacted
10 as follows:

11 **15.1-27-45. Property tax relief fund.**

12 1. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the
13 state treasurer shall change the name of the property tax relief sustainability fund
14 established under section 57-64-05 to property tax relief fund as established by this
15 section and any unobligated balance in the property tax relief sustainability fund must
16 be retained in the property tax relief fund. Moneys in the property tax relief fund may
17 be expended pursuant to legislative appropriations for property tax relief programs.

18 2. On or before the third Monday in each January, February, March, April, August,
19 September, October, November, and December, the office of management and budget
20 shall certify to the superintendent of public instruction the amount of the property tax
21 relief fund. The superintendent shall include the amount certified in determining the
22 state aid payments to which each school district is entitled under chapter 15.1-27.

23 **SECTION 18. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15.1-29-15. Levy for tuition payments.**

26 If the board of a school district approves tuition payments for students in grades seven
27 through twelve or if the board is required to make tuition or tutoring payments under this
28 chapter, the board may levy an amount sufficient to meet such payments, pursuant to
29 ~~subdivision c of subsection 1 of section 57-15-14.2.~~

30 **SECTION 19. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-30-04. Provision of meals and lodging for high school students - Payment**
2 **permitted –Levy.**

3 Instead of providing transportation so that an eligible high school student residing in the
4 district can attend school in another district, a school board may pay a reasonable allowance to
5 the student's parent for costs incurred in the provision of meals and lodging for the student at a
6 location other than the student's residence. ~~A school district that furnishes either transportation~~
7 ~~or an allowance for the provision of meals and lodging for a student under this section may levy~~
8 ~~a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

9 **SECTION 20. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15.1-36-02. School construction projects - Loans.**

- 12 1. ~~The~~ In order to provide school construction loans, the board of university and school
13 lands may authorize the use of ~~moneys in:~~
- 14 a. Fifty million dollars, or so much of that amount as may be necessary, from the
15 coal development trust fund, established pursuant to section 21 of article X of the
16 Constitution of North Dakota and subsection 1 of section 57-62-02 ~~to provide~~
17 ~~school construction loans, as described in this chapter. The outstanding principal~~
18 ~~balance of loans under this chapter may not exceed fifty million dollars. The~~
19 ~~board may adopt policies and rules governing school construction loans; and~~
- 20 b. Two hundred million dollars from the strategic investment and improvements
21 fund, established pursuant to section 15-08.1-08.
- 22 2. In order to be eligible for a loan under this section, the board of a school district shall:
- 23 a. Propose a construction project with a cost of at least one million dollars and an
24 expected utilization of at least thirty years;
- 25 b. Obtain the approval of the superintendent of public instruction for the construction
26 project under section 15.1-36-01; and
- 27 c. Submit to the superintendent of public instruction an application containing all
28 information deemed necessary by the superintendent, including potential
29 alternative sources or methods of financing the construction project.
- 30 3. ~~The superintendent of public instruction shall give priority to any district that meets the~~
31 ~~requirements for receipt of an equity payment under section 15.1-27-11.~~

- 1 4. If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty
2 percent of the state average ~~imputed~~taxable valuation per student, the district is
3 entitled to receive:
- 4 a. A school construction loan equal to the lesser of ~~twelve~~twenty million dollars or
5 ~~eighty~~ninety percent of the actual project cost;
- 6 b. An interest rate discount equal to at least one hundred but not more than ~~two~~four
7 hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
- 8 c. A term of repayment that may extend up to twenty years.
- 9 ~~5-4.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least
10 eighty percent but less than ninety percent of the state average ~~imputed~~ taxable
11 valuation per student, the district is entitled to receive:
- 12 a. A school construction loan equal to the lesser of ~~ten~~fifteen million dollars or
13 ~~seventy~~eighty percent of the actual project cost;
- 14 b. An interest rate buydown equal to at least one hundred but not more than
15 ~~two~~three hundred fifty basis points below the prevailing tax-free bond rates; and
- 16 c. A term of repayment that may extend up to twenty years.
- 17 ~~6-5.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least
18 ninety percent of the state average ~~imputed~~ taxable valuation per student, the district
19 is entitled to receive:
- 20 a. A school construction loan equal to the lesser of ~~four~~ten million dollars or
21 ~~thirty~~seventy percent of the actual project cost;
- 22 b. An interest rate discount equal to at least one hundred but not more than
23 ~~two~~three hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
- 24 c. A term of repayment that may extend up to twenty years.
- 25 ~~7-6.~~ The board of a school district may submit its loan application to the superintendent of
26 public instruction before or after receiving authorization of a bond issue in accordance
27 with chapter 21-03. If the vote to authorize a bond issue precedes the application for a
28 loan, the application must be acted upon by the superintendent expeditiously but no
29 later than one hundred eighty days from the date it is received by the superintendent.
- 30 ~~8-7.~~ The superintendent of public instruction shall consider each loan application in the
31 order it received approval under section 15.1-36-01.

- 1 9-8. If the superintendent of public instruction approves the loan, the superintendent may
2 determine the loan amount, the term of the loan, and the interest rate, in accordance
3 with the requirements of this section.
- 4 ~~10.~~ ~~The superintendent of public instruction may adopt rules governing school~~
5 ~~construction loans.~~
- 6 9. a. If a school district seeking a loan under this section received an allocation of the
7 oil and gas gross production tax during the previous fiscal year in accordance
8 with chapter 57-51, the board of the district shall provide to the board of
9 university and school lands its evidence of indebtedness indicating that the loan
10 originated under this section.
- 11 b. If the evidence of indebtedness is payable solely from the school district's
12 allocation of the oil and gas gross production tax in accordance with section
13 57-51-15, the loan does not constitute a general obligation of the school district
14 and may not be considered a debt of the district.
- 15 c. If a loan made to a school district is payable solely from the district's allocation of
16 the oil and gas gross production tax in accordance with section 57-51-15, the
17 terms of the loan must require that the statecounty treasurer withhold ten
18 percent, or any larger the dollar amount or percentage specified in the loan
19 agreement, efrom each of the district's oil and gas gross production tax
20 allocations in order to repay the principal and interest of the evidence of
21 indebtedness. The county treasurer shall transfer any amount withheld under this
22 subdivision to the state treasurer. The state treasurer shall deposit the amount
23 withheld into the fund from which the loan originated.
- 24 d. Any evidence of indebtedness executed by the board of a school district under
25 this subsection is a negotiable instrument and not subject to taxation by the state
26 or any political subdivision of the state.
- 27 ~~11-10.~~ For purposes of this section, a "construction project" means the purchase, lease,
28 erection, or improvement of any structure or facility by a school board, provided the
29 acquisition or activity is within a school board's authority.

30 **SECTION 21. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is
31 amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision c of subsection 1 of~~ using the proceeds of levies, as permitted by section 57-15-14.2.

SECTION 22. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public

1 recreation purposes until the qualified voters, at a regular or special election, by a majority vote
2 on the proposition, decide to discontinue the levy. The governing body of the municipality may
3 appropriate additional funds for the operation of the public recreation system if in the opinion of
4 the governing body additional funds are needed for the efficient operation thereof. This chapter
5 does not limit the power of any municipality, school district, or park district to appropriate on its
6 own initiative general municipal, school district, or park district tax funds for the operation of a
7 public recreation system, a community center, or character-building facility. ~~A school district may~~
8 ~~levy a tax annually for the conduct and maintenance of a public recreation system pursuant to~~
9 ~~subdivision c of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually
10 within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a
11 public recreation system.

12 **SECTION 23. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-15-01.1. Protection of taxpayers and taxing districts.**

15 Each taxing district may levy the lesser of the amount in dollars as certified in the budget of
16 the governing body, or the amount in dollars as allowed in this section, subject to the following:

- 17 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
18 by this section.
- 19 2. For purposes of this section:
 - 20 a. "Base year" means the taxing district's taxable year with the highest amount
21 levied in dollars in property taxes of the three taxable years immediately
22 preceding the budget year. For a park district general fund, the "amount levied in
23 dollars in property taxes" is the sum of amounts levied in dollars in property taxes
24 for the general fund under section 57-15-12 including any additional levy
25 approved by the electors, the insurance reserve fund under section 32-12.1-08,
26 the employee health care program under section 40-49-12, the public recreation
27 system under section 40-55-09 including any additional levy approved by the
28 electors, forestry purposes under section 57-15-12.1 except any additional levy
29 approved by the electors, pest control under section 4-33-11, and handicapped
30 person programs and activities under section 57-15-60;

- 1 b. "Budget year" means the taxing district's year for which the levy is being
- 2 determined under this section;
- 3 c. "Calculated mill rate" means the mill rate that results from dividing the base year
- 4 taxes levied by the sum of the taxable value of the taxable property in the base
- 5 year plus the taxable value of the property exempt by local discretion or
- 6 charitable status, calculated in the same manner as the taxable property; and
- 7 d. "Property exempt by local discretion or charitable status" means property
- 8 exempted from taxation as new or expanding businesses under chapter 40-57.1;
- 9 improvements to property under chapter 57-02.2; or buildings belonging to
- 10 institutions of public charity, new single-family residential or townhouse or
- 11 condominium property, property used for early childhood services, or pollution
- 12 abatement improvements under section 57-02-08.
- 13 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
- 14 levy under this section must be specifically approved by a resolution approved by the
- 15 governing body of the taxing district. Before determining the levy limitation under this
- 16 section, the dollar amount levied in the base year must be:
- 17 a. Reduced by an amount equal to the sum determined by application of the base
- 18 year's calculated mill rate for that taxing district to the final base year taxable
- 19 valuation of any taxable property and property exempt by local discretion or
- 20 charitable status which is not included in the taxing district for the budget year but
- 21 was included in the taxing district for the base year.
- 22 b. Increased by an amount equal to the sum determined by the application of the
- 23 base year's calculated mill rate for that taxing district to the final budget year
- 24 taxable valuation of any taxable property or property exempt by local discretion or
- 25 charitable status which was not included in the taxing district for the base year
- 26 but which is included in the taxing district for the budget year.
- 27 c. Reduced to reflect expired temporary mill levy increases authorized by the
- 28 electors of the taxing district. For purposes of this subdivision, an expired
- 29 temporary mill levy increase does not include a school district general fund mill
- 30 rate exceeding one hundred ten mills which has expired or has not received
- 31 approval of electors for an extension under subsection 2 of section 57-64-03.

- 1 d. Increased, for a school district determining its levy limitation under this section,
2 by the amount the school district's mill levy reduction grant under section
3 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the
4 amount of the school district's ~~mill levy reduction grant under section~~
5 ~~57-64-02~~ state aid under chapter 15.1-27 for the budget year.
- 6 e. Reduced for a school district determining its levy limitation under this section, by
7 the amount the school district's ~~mill levy reduction grant under section~~
8 ~~57-64-02~~ state aid under chapter 15.1-27 for the budget year exceeds the amount
9 of the school district's mill levy reduction grant under section 57-64-02 and state
10 aid under chapter 15.1-27 for the base year.
- 11 4. In addition to any other levy limitation factor under this section, a taxing district may
12 increase its levy in dollars to reflect new or increased mill levies authorized by the
13 legislative assembly or authorized by the electors of the taxing district.
- 14 5. Under this section a taxing district may supersede any applicable mill levy limitations
15 otherwise provided by law, or a taxing district may levy up to the mill levy limitations
16 otherwise provided by law without reference to this section, but the provisions of this
17 section do not apply to the following:
- 18 a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of
19 article X of the Constitution of North Dakota.
- 20 b. The one-mill levy for the state medical center authorized by section 10 of article X
21 of the Constitution of North Dakota.
- 22 6. A school district choosing to determine its levy authority under this section may apply
23 subsection 3 only to the amount in dollars levied for general fund purposes under
24 section 57-15-14 or, if the levy in the base year included separate general fund and
25 special fund levies under sections 57-15-14 and 57-15-14.2, the school district may
26 apply subsection 3 to the total amount levied in dollars in the base year for both the
27 general fund and special fund accounts. School district levies under any section other
28 than section 57-15-14 may be made within applicable limitations but those levies are
29 not subject to subsection 3.

- 1 7. Optional levies under this section may be used by any city or county that has adopted
2 a home rule charter unless the provisions of the charter supersede state laws related
3 to property tax levy limitations.

4 **SECTION 24. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-15-14. ~~General fund levy limitations~~ Voter approval of excess levies in school**
7 **districts.**

8 ~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any~~
9 ~~school district, except the Fargo school district, may not exceed the amount in dollars which the~~
10 ~~school district levied for the prior school year plus twelve percent up to a general fund levy of~~
11 ~~one hundred eighty five mills on the dollar of the taxable valuation of the district, except that:~~

12 1. Unless authorized by the electors of the school district in accordance with this section,
13 a school district may not impose greater levies than those permitted under section
14 57-15-14.2.

15 4. a. In any school district having a total population in excess of four thousand
16 according to the last federal decennial census there may be levied any specific
17 number of mills that upon resolution of the school board has been submitted to
18 and approved by a majority of the qualified electors voting upon the question at
19 any regular or special school district election.

20 2. b. In any school district having a total population of fewer than four thousand, there
21 may be levied any specific number of mills that upon resolution of the school
22 board has been approved by fifty-five percent of the qualified electors voting
23 upon the question at any regular or special school election.

24 3. c. After June 30, 2009, in any school district election for approval by electors of
25 increased levy authority under subsection 1 or 2, the ballot must specify the
26 number of mills proposed for approval, and the number of taxable years for which
27 that approval is to apply. After June 30, 2009, approval by electors of increased
28 levy authority under subsection 1 or 2 may not be effective for more than ten
29 taxable years.

30 4. d. The authority for a levy of up to a specific number of mills under this section
31 approved by electors of a school district before July 1, 2009, is terminated

effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

e. For taxable years beginning after 2012:

- (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred thirty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by sixty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.

~~5.f.~~ The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in

1 the most recent election in the school district. ~~However, not~~No fewer than
2 twenty-five signatures are required. ~~However, the~~

3 b. The approval of discontinuing such authority does not affect the tax levy in the
4 calendar year in which the election is held.

5 c. The election must be held in the same manner and subject to the same
6 conditions as provided in this section for the first election upon the question of
7 authorizing the mill levy.

8 **SECTION 25. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **~~57-15-14.2. Mill levies requiring board action -- Proceeds to general fund~~**
11 **~~account~~School district levies.**

12 ~~4.~~ A school board of any school district may levy an amount sufficient to cover general
13 expenses, including the costs of the following:

14 ~~a.~~ Board and lodging for high school students as provided in section ~~15.1-30-04.~~

15 ~~b.~~ The teachers' retirement fund as provided in section ~~15-39.1-28.~~

16 ~~c.~~ Tuition for students in grades seven through twelve as provided in section
17 ~~15.1-29-15.~~

18 ~~d.~~ Special education program as provided in section ~~15.1-32-20.~~

19 ~~e.~~ The establishment and maintenance of an insurance reserve fund for insurance
20 purposes as provided in section ~~32-12.1-08.~~

21 ~~f.~~ A final judgment obtained against a school district.

22 ~~g.~~ The district's share of contribution to the old-age survivors' fund and matching
23 contribution for the social security fund as provided by chapter ~~52-09~~ and to
24 provide the district's share of contribution to the old-age survivors' fund and
25 matching contribution for the social security fund for contracted employees of a
26 multidistrict special education board.

27 ~~h.~~ The rental or leasing of buildings, property, or classroom space. Minimum state
28 standards for health and safety applicable to school building construction shall
29 apply to any rented or leased buildings, property, or classroom space.

30 ~~i.~~ Unemployment compensation benefits.

- 1 j. ~~The removal of asbestos substances from school buildings or the abatement of~~
- 2 ~~asbestos substances in school buildings under any method approved by the~~
- 3 ~~United States environmental protection agency and any repair, replacement, or~~
- 4 ~~remodeling that results from such removal or abatement, any remodeling~~
- 5 ~~required to meet specifications set by the Americans with Disabilities Act~~
- 6 ~~accessibility guidelines for buildings and facilities as contained in the appendix to~~
- 7 ~~28 CFR 36, any remodeling required to meet requirements set by the state fire~~
- 8 ~~marshal during the inspection of a public school, and for providing an alternative~~
- 9 ~~education program as provided in section 57-15-17.1.~~
- 10 k. ~~Participating in cooperative career and technical education programs approved~~
- 11 ~~by the state board.~~
- 12 l. ~~Maintaining a career and technical education program approved by the state~~
- 13 ~~board and established only for that school district.~~
- 14 m. ~~Paying the cost of purchasing, contracting, operating, and maintaining~~
- 15 ~~schoolbuses.~~
- 16 n. ~~Establishing and maintaining school library services.~~
- 17 o. ~~Equipping schoolbuses with two-way communications and central station~~
- 18 ~~equipment and providing for the installation and maintenance of such equipment.~~
- 19 p. ~~Establishing free public kindergartens in connection with the public schools of the~~
- 20 ~~district for the instruction of resident children below school age during the regular~~
- 21 ~~school term.~~
- 22 q. ~~Establishing, maintaining, and conducting a public recreation system.~~
- 23 r. ~~The district's share of contribution to finance an interdistrict cooperative~~
- 24 ~~agreement authorized by section 15-1-09-40.~~
- 25 2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of~~
- 26 ~~subsection 1. If a school district maintained a levy to finance either its participation in a~~
- 27 ~~cooperative career and technical education program or its sponsorship of~~
- 28 ~~single-district career and technical education programs prior to July 1, 1983, and the~~
- 29 ~~district discontinues its participation in or sponsorship of those career and technical~~
- 30 ~~education programs, that district must reduce the proposed aggregated expenditure~~

1 amount for which its general fund levy is used by the dollar amount raised by its prior
2 levy for the funding of those programs.

3 ~~3. All proceeds of any levy established pursuant to this section must be placed in the~~
4 ~~school district's general fund account and may be expended to achieve the purposes~~
5 ~~for which the taxes authorized by this section are levied. Proceeds from levies~~
6 ~~established pursuant to this section and funds provided to school districts pursuant to~~
7 ~~chapter 15.1-27 may not be transferred to the building fund within the school district.~~

8 1. The board of a school district may levy a tax not exceeding the amount in dollars that
9 the school district levied for the prior year, plus twelve percent, up to a levy of sixty
10 mills on the taxable valuation of the district for any purpose related to the provision of
11 educational services. The proceeds of this levy must be deposited into the school
12 district's general fund and used in accordance with this subsection. The proceeds may
13 not be transferred into any other fund.

14 2. The board of a school district may levy no more than twelve mills on the taxable
15 valuation of the district for miscellaneous purposes and expenses. The proceeds of
16 this levy must be deposited into a special fund known as the miscellaneous fund and
17 used in accordance with this subsection. The proceeds may not be transferred into
18 any other fund.

19 3. The board of a school district may levy no more than three mills on the taxable
20 valuation of the district for deposit into a special reserve fund, in accordance with
21 chapter 57-19.

22 4. The board of a school district may levy no more than the number of mills necessary,
23 on the taxable valuation of the district, for the payment of tuition, in accordance with
24 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
25 known as the tuition fund and used in accordance with this subsection. The proceeds
26 may not be transferred into any other fund.

27 5. Nothing in this section limits the board of a school district from levying:
28 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
29 b. Mills necessary to pay principal and interest on the bonded debt of the district.

30 **SECTION 26. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is
31 amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy ~~--Voter approval.~~

- ~~1. The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
- ~~2. All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
- ~~3. If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining~~any balance remaining in its long-distance learning and educational technology fund~~ to the general fund of the school district.

SECTION 27. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings ~~or~~and facilities,~~or additions to old;~~
 - (2) The renovation, repair, or expansion of school district buildings or~~and~~ facilities,~~or the making of major repairs to existing buildings or facilities, or~~

- 1 improvements to school land and site. For purposes of this paragraph,
2 facilities may include parking lots, athletic complexes, or any other real
3 property owned by the school district;
- 4 (3) The improvement of school district buildings, facilities, and real property;
5 (4) The leasing of buildings and facilities;
- 6 (2)(5) The payment of rentals upon contracts with the state board of public school
7 education;
- 8 (3)(6) The payment of rentals upon contracts with municipalities for career and
9 technical education facilities financed pursuant to chapter 40-57-
- 10 (4) ~~Within the limitations of school plans as provided in subsection 2 of section~~
11 ~~57-15-16;~~ and
- 12 (5)(7) The payment of principal, ~~premium, if any~~ premiums, and interest on bonds
13 issued ~~pursuant to~~ in accordance with subsection 7 of section 21-03-07.
- 14 (6) ~~The payment of premiums for fire and allied lines, liability, and multiple peril~~
15 ~~insurance on any building and its use, occupancy, fixtures, and contents.~~
- 16 c. The custodian of the funds may pay out the funds only upon order of the school
17 board, signed by the president and the business manager of the school
18 district. The order must recite upon its face the purpose for which payment
19 is made.
- 20 2. Any moneys remaining in a school building fund after the completion of the payments
21 for any school building project which has cost seventy-five percent or more of the
22 amount in such building fund at the time of letting the contracts therefor shall be
23 returned to the general fund of the school district upon the order of the school board.
- 24 3. The governing body of any school district may pay into the general fund of the school
25 district any moneys which have remained in the school building fund for a period of ten
26 years or more, and such district may include the same as a part of its cash on hand in
27 making up its budget for the ensuing year. In determining what amounts have
28 remained in said fund for ten years or more, all payments which have been paid from
29 the school building fund for building purposes shall be considered as having been paid
30 from the funds first acquired.

- 1 4. Whenever collections from the taxes levied for the current budget and other income
2 are insufficient to meet the requirements for general operating expenses, a majority of
3 the governing body of a school district may transfer unobligated funds from the school
4 building fund into the general fund of the school district if the school district has issued
5 certificates of indebtedness equal to fifty percent of the outstanding uncollected
6 general fund property tax. No school district may transfer funds from the school
7 building fund into the general fund for more than two years.

8 **SECTION 28. AMENDMENT.** Section 57-15-17.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **57-15-17.1. School board levies -- Multiyear mercury and hazardous substance**
11 **abatement or removal -- Required remodeling -- Alternative education programs -- Heating,**
12 **ventilation, and air-conditioning systems**Discontinuation of special funds - Required
13 **transfers**

- 14 ~~4. The governing body of any public school district may by resolution adopted by a~~
15 ~~two-thirds vote of the school board dedicate a tax levy for purposes of this section of~~
16 ~~not exceeding fifteen mills on the dollar of taxable valuation of property within the~~
17 ~~district for a period not longer than fifteen years. The school board may authorize and~~
18 ~~issue general obligation bonds to be paid from the proceeds of this dedicated levy for~~
19 ~~the purpose of:~~
- 20 a. ~~Providing funds for the abatement or removal of mercury and other hazardous~~
21 ~~substances from school buildings in accordance with any method approved by~~
22 ~~the United States environmental protection agency and for any repair,~~
23 ~~replacement, or remodeling that results from the abatement or removal of such~~
24 ~~substances;~~
- 25 b. ~~Any remodeling required to meet specifications set by the Americans with~~
26 ~~Disabilities Act accessibility guidelines for buildings and facilities as contained in~~
27 ~~the appendix to 28 CFR 36;~~
- 28 c. ~~Any remodeling required to meet requirements set by the state fire marshal~~
29 ~~during the inspection of a public school;~~
- 30 d. ~~Providing alternative education programs; and~~

- 1 e. Providing funds for the repair, replacement, or modification of any heating,
2 ventilation, or air conditioning systems and required ancillary systems to provide
3 proper indoor air quality that meets American society of heating, refrigerating and
4 air conditioning engineers, incorporated standards.
- 5 2. All revenue accruing from the levy under this section, except revenue deposited as
6 allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the
7 mercury and hazardous substance abatement or removal fund and must be accounted
8 for within the capital projects fund group and disbursements must be made from such
9 funds within this fund group for the purpose of mercury and hazardous substance
10 abatement or removal.
- 11 3. All revenue accruing from up to five mills of the fifteen mill levy under this section must
12 be placed in a separate fund known as the required remodeling fund and must be
13 accounted for within the capital projects fund group and disbursements must be made
14 from such funds within this fund group for the purpose of required remodeling, as set
15 forth in subsection 1.
- 16 4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may
17 be placed in a separate fund known as the alternative education program fund.
18 Disbursement may be made from the fund for the purpose of providing an alternative
19 education program but may not be used to construct or remodel facilities used to
20 accommodate an alternative education program.
- 21 5. All revenue accruing from the levy under this section, except revenue deposited as
22 allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the
23 heating, ventilation, and air conditioning upgrade fund and must be accounted for
24 within the capital projects fund group and disbursements must be made from such
25 funds within this fund group for the purpose of improving indoor air quality.
- 26 6. AnyOn July 1, 2013, each school district shall transfer to its building fund or its general
27 fund any moneys remaining in the mercury and hazardous substance abatement or
28 removal fund after completion of the principal and interest payments for any bonds
29 issued for any school mercury and hazardous substance abatement or removal
30 project, any funds, any moneys remaining in the required remodeling fund after
31 completion of the remodeling projects, any funds, any moneys remaining in the

1 alternative education program fund ~~at the termination of the program, and any~~
2 ~~funds~~moneys remaining in the heating, ventilation, and air-conditioning upgrade fund
3 ~~after completion of the principal and interest payments for any bonds issued for any~~
4 ~~indoor air quality project must be transferred to the general fund of the school district~~
5 ~~upon the order of the school board.~~

6 **SECTION 29. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-15-31. Determination of levy.**

9 The amount to be levied by any county, city, township, school district, park district, or other
10 municipality authorized to levy taxes shall be computed by deducting from the amount of
11 estimated expenditures for the current fiscal year as finally determined, plus the required
12 reserve fund determined upon by the governing board from the past experience of the taxing
13 district, the total of the following items:

- 14 1. The available surplus consisting of the free and unencumbered cash balance.
- 15 2. Estimated revenues from sources other than direct property taxes.
- 16 3. The total estimated collections from tax levies for previous years.
- 17 4. Such expenditures as are to be made from bond sources.
- 18 5. The amount of distributions received from an economic growth increment pool under
19 section 57-15-61.
- 20 6. The estimated amount to be received from payments in lieu of taxes on a project
21 under section 40-57.1-03.
- 22 7. ~~The amount reported to a school district by the superintendent of public instruction as~~
23 ~~the school district's mill levy reduction grant for the year under section 57-64-02.~~

24 Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five
25 percent of the amount of the levy.

26 **SECTION 30. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-19-01. School district may establish special reserve fund.**

29 Each school district in this state may establish and maintain a special reserve fund which
30 ~~must be separate and distinct from all other funds now authorized by law and which may not~~
31 ~~exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed

1 that which could be produced by a levy of the maximum ~~mill levy~~ number of mills allowed by law
2 in that district for that year.

3 **SECTION 31. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **57-19-02. Special reserve fund - Separate trust fund.**

6 ~~The special reserve fund is a separate trust fund for the use and benefit of the school~~
7 ~~district, to be drawn upon as provided in this chapter.~~

8 1. Moneys in the fund may be deposited, held, or invested in the same manner as the
9 sinking fund of the district or in the purchase of shares or securities of federal savings
10 and loan associations or state-chartered building and loan associations, within the
11 limits of federal insurance. ~~The school district business manager shall annually, upon a~~
12 ~~resolution of the school board,~~

13 2. Annually, the board of the school district shall transfer to the school district general
14 fund ~~any part or all of the investment income or~~ and interest earned by the principal
15 ~~amount of the school district's~~ of the special reserve fund.

16 3. On July 1, 2013, the board of the school district shall transfer from the special reserve
17 fund to the district's general fund any amount that exceeds the limitation in section
18 57-19-01.

19 **SECTION 32. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-19-09. When fund may be transferred.**

22 Any school district which has heretofore by mistake, or for any other reason, considered all
23 or any part of a special reserve fund, as provided for in chapter 57-19, in determining the
24 budget for the school district which has deducted all or any part of the funds in such special
25 reserve fund from the amount necessary to be levied for any school fiscal year, may transfer
26 from the special reserve fund into the general fund all or any part of such amounts which have
27 been so considered contrary to the provisions of section 57-19-05. ~~Any school district special~~
28 ~~reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the~~
29 ~~electors of the school district voting upon the question at any special or general election.~~

30 Any moneys remaining unexpended in ~~such~~ the special reserve fund must be transferred to the
31 ~~building or general fund of the school district. The discontinuance of a special reserve fund shall~~

1 ~~not decrease the school district tax levies otherwise provided for by law by more than twenty~~
2 ~~percent. A special reserve fund and the tax levy therefor which has been discontinued may be~~
3 ~~reinstated by a vote of sixty percent of the electors of the school district voting upon the~~
4 ~~question at any special or general election.~~

5 **SECTION 33. LEGISLATIVE MANAGEMENT STUDY - ACCOUNTABILITY.** During the
6 2013-14 interim, the legislative management shall consider studying accountability in
7 elementary and secondary education. The study should include a review of the historical basis
8 for adequacy funding, as set forth in the 2008 report by Lawrence O. Picus and Associates, the
9 recommendations of the Commission on Education Improvement regarding adequacy funding,
10 and the enactments of the sixty-first, sixty-second, and sixty-third legislative assemblies in that
11 regard. The study should examine the performance of North Dakota students in state and
12 national assessments to determine whether recent legislative efforts have effected measurable
13 improvements in student achievement. The study also should examine high school curricular
14 requirements and content standards to determine whether students are being adequately
15 prepared for the various assessments and for their first year of enrollment in institutions of
16 higher education. The legislative management shall report its findings and recommendations,
17 together with any legislation required to implement the recommendations, to the sixty-fourth
18 legislative assembly.

19 **SECTION 34. REPEAL.** Sections 15.1-27-04, 15.1-27-07.1, 15.1-27-11, 15.1-27-22.1,
20 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04, and 57-19-10 and
21 chapter 57-64 of the North Dakota Century Code are repealed.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 1, line 3, after "sections" insert "15-39.1-28"

Page 1, line 4, replace "15.1-27-04" with "15.1-27-03.2"

Page 1, line 5, after the fourth comma insert "40-55-08,"

Page 1, line 8, after "sections" insert "15.1-27-04,"

Page 1, after line 14, insert:

"SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

Page 7, line 30, after "hundred" insert "twenty-five"

Page 8, line 27, overstrike "0.004" and insert immediately thereafter "0.002"

Page 10, line 5, after "hundred" insert "twenty-five"

Page 11, line 3, overstrike "0.004" and insert immediately thereafter "0.002"

Page 11, replace lines 9 through 19 with:

"SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. 4.25 ~~1.35~~ if the students in average daily membership number fewer than ~~485~~ 125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;

- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i-s.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j-t.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k-u.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l-v.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m-w.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n-x.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;

- ~~e-y.~~ 1.11 if the students in average daily membership number at least 305 but fewer than 310;
 - ~~p-z.~~ 1.10 if the students in average daily membership number at least 310 but fewer than 320;
 - ~~q-aa.~~ 1.09 if the students in average daily membership number at least 320 but fewer than 335;
 - ~~r-bb.~~ 1.08 if the students in average daily membership number at least 335 but fewer than 350;
 - ~~s-cc.~~ 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - ~~t-dd.~~ 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - ~~u-ee.~~ 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - ~~v-ff.~~ 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - ~~w-gg.~~ 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - ~~x-hh.~~ 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - ~~y-ii.~~ 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - ~~z-jj.~~ 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership."

Page 11, line 25, remove "the payment rate established in"

Page 11, line 26, replace "section 15.1-27-04" with "eight thousand eight hundred ten during the first year of the biennium and nine thousand ninety-two during the second year of the biennium"

Page 12, line 1, remove "in excess of two million dollars."

Page 13, line 5, replace "**payment**" with "**funding**"

Page 13, remove lines 6 through 30

Page 14, replace lines 1 through 12 with:

- "1. The superintendent of public instruction shall calculate each school district's baseline funding per weighted student unit by:

 - a. Determining the state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
 - b. Adding to the determination under subdivision a:

 - (1) The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - (2) An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - (3) An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - (4) An amount equal to that raised by the district's 2012 alternative education program levy; and
 - (5) An amount equal to seventy-five percent of the revenue received by the district during the 2012-13 school year from the sources listed in paragraphs 1 through 8 of subdivision c of subsection 1 of section 15.1-27-04.1; and
 - c. Dividing the sum by the district's weighted student units.
2. For the 2013-14 school year, the superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, as determined in accordance with section 15.1-27-04.1, is:

 - a. No less than 102 percent of the baseline funding per weighted student unit established under this section or 100 percent of the district's total baseline funding, whichever is greater; and
 - b. No more than 110 percent of the baseline funding per weighted student unit established under this section.
3. For the 2014-15 school year, the superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, as determined in accordance with section 15.1-27-04.1, is:

 - a. No less than 104 percent of the baseline funding per weighted student unit established under this section or 100 percent of the district's total baseline funding, whichever is greater; and

- b. No more than 120 percent of the baseline funding per weighted student unit established under this section."

Page 20, line 9, replace "state" with "county"

Page 20, line 9, remove "ten percent, or"

Page 20, line 10, replace "any larger" with "the dollar amount or"

Page 20, line 10, replace the first "of" with "from"

Page 20, line 12, after the underscored period insert "The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer."

Page 20, after line 19, insert:

"SECTION 21. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision q of subsection 1 of using the proceeds of levies, as permitted by section 57-15-14.2."

Page 35, line 19, after "Sections" insert "15.1-27-04,"

Renumber accordingly



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

\$8,810

50

75%

School Year 2014
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

110%

102%

HB 1319

2012-2013

1st Year

wsu x 8810

Less 50m/115

Less 75% in Lieu

Formula Amt
Less 50.75

School Finance		\$8.810					50					75%					110%					102%					State																								
		Local					State					Transition					Transition					State Aid					Total					Prior Year																			
		Contribution					Foundation					Maximum					Minimum					EFB Offset					Payment					State/Local					Funding					State/Local					Percent				
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	from Property Tax	Other Local In-Lieu	Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset	State Aid Payment	Funding	per wsu	Funding	Change																																		
01-013	Hettinger 13	282.89	369.52	93.86	23,720.05	3,255,471	438,252	48,826	2,768,394	-	-	-	2,768,394	3,255,471	8,810	2,749,118	18%																																		
02-002	Valley City 2	1,109.58	1,233.42	110.00	23,745.52	10,866,430	1,464,410	95,907	9,306,113	-	-	-	9,306,113	10,866,430	8,810	10,616,186	2%																																		
02-007	Barnes County North 7	275.00	356.19	100.21	59,092.73	3,138,034	1,052,412	46,039	2,039,583	-	1,372,733	-	3,412,316	4,510,767	12,664	4,510,767	0%																																		
02-046	Litchville-Marion 46	110.00	177.80	94.10	61,862.20	1,566,418	549,955	37,506	978,957	-	734,752	-	1,713,709	2,301,170	12,942	2,113,809	9%																																		
03-005	Minnewaukan 5	261.22	348.50	74.90	23,521.29	3,070,285	409,858	62,885	2,597,542	(645,420)	-	-	1,952,122	2,424,865	6,958	2,151,416	13%																																		
03-006	Leeds 6	143.28	206.84	83.25	37,512.58	1,822,260	387,955	24,693	1,409,612	-	137,227	-	1,546,839	1,959,487	9,473	1,946,792	1%																																		
03-009	Maddock 9	157.67	221.98	83.93	31,401.32	1,955,644	348,523	49,276	1,557,845	-	29,601	-	1,587,446	1,985,245	8,943	1,871,002	6%																																		
03-016	Oberon 16	52.00	72.15	81.95	23,741.48	635,642	85,647	6,991	543,003	(49,421)	-	-	493,581	586,220	8,125	519,336	13%																																		
03-029	Warwick 29	269.33	356.48	68.56	23,521.29	3,140,589	419,243	12,596	2,708,750	(1,007,730)	-	-	1,701,020	2,132,859	5,983	1,947,123	10%																																		
03-030	Fl Totten 30	144.03	228.06	86.27	23,521.29	2,009,209	268,213	12,043	1,728,952	(794,666)	-	-	934,286	1,214,543	5,326	928,533	31%																																		
04-001	Billings Co 1	68.22	101.93	29.93	81,951.43	898,003	417,665	480,338	-	-	911,774	(911,774)	898,003	8,810	1,505,528	-40%																																			
05-001	Bottineau 1	618.37	699.47	68.44	37,886.54	6,162,331	1,325,025	589,904	4,247,402	-	449,212	-	4,696,613	6,611,543	9,452	6,365,792	4%																																		
05-017	Westhope 17	133.00	194.39	93.27	33,240.95	1,712,576	323,085	119,739	1,269,752	-	241,831	-	1,511,582	1,954,406	10,054	1,729,788	13%																																		
05-054	Newburg-United 54	62.00	99.91	81.73	75,815.69	880,207	378,737	67,997	433,472	-	695,178	-	1,128,650	1,575,385	15,768	1,226,043	28%																																		
06-001	Bowman County 1	469.12	527.42	91.16	38,916.87	4,646,570	1,026,277	1,029,290	2,591,003	-	1,228,271	-	3,819,274	5,874,841	11,139	5,354,280	10%																																		
06-033	Scranton 33	132.00	192.54	86.78	32,758.95	1,696,277	315,370	308,738	1,072,169	-	250,419	-	1,322,588	1,946,696	10,111	1,617,102	20%																																		
07-014	Bowbells 14	62.00	100.67	84.43	52,306.78	886,903	263,286	232,409	391,207	-	491,929	-	883,136	1,378,832	13,697	1,125,131	23%																																		
07-027	Powers Lake 27	139.00	201.22	78.63	19,027.65	1,772,748	191,437	492,979	1,088,332	-	242,462	-	1,330,794	2,015,211	10,015	1,600,332	26%																																		
07-036	Burke Central 36	118.00	190.01	81.02	37,957.32	1,673,988	360,614	291,478	1,021,896	-	399,008	-	1,420,904	2,072,996	10,910	1,549,959	34%																																		
08-001	Bismarck 1	11,432.79	12,885.72	121.41	21,620.70	113,523,193	13,929,914	2,158,845	97,434,434	-	-	-	97,434,434	113,523,193	8,810	103,235,120	10%																																		
08-025	Naughton 25	4.00	5.44	61.59	77,596.88	47,926	21,106	1,515	25,306	-	96,792	-	122,098	144,718	26,603	144,718	0%																																		
08-028	Wing 28	109.00	177.27	83.82	17,888.04	1,561,749	158,551	102,045	1,301,153	(106,153)	-	-	1,195,000	1,455,596	8,211	1,125,678	29%																																		
08-033	Menoken 33	26.00	35.74	96.54	53,040.54	314,869	94,783	9,314	210,772	-	77,066	-	287,838	391,935	10,966	353,072	11%																																		
08-035	Sterling 35	33.00	45.39	96.17	68,041.60	399,886	154,420	16,462	229,003	-	227,835	-	456,838	627,721	13,830	523,081	20%																																		
08-039	Apple Creek 39	59.00	80.18	28.93	51,700.79	706,386	207,268	10,978	488,140	(17,768)	13,210	-	483,582	701,828	8,753	701,828	0%																																		
08-045	Manning 45	16.00	21.74	82.03	16,248.16	191,529	17,662	7,497	166,371	-	8,971	-	175,342	200,500	9,223	123,782	62%																																		
09-001	Fargo 1	11,020.16	12,316.95	191.18	21,752.04	108,512,330	13,395,939	1,253,468	93,862,922	-	-	-	93,862,922	108,512,330	8,810	98,774,827	10%																																		
09-002	Kindred 2	680.40	752.16	106.66	22,631.72	6,626,530	851,134	87,938	5,687,458	(35,189)	-	-	5,652,269	6,591,341	8,763	5,959,145	11%																																		
09-004	Maple Valley 4	235.00	317.04	99.33	50,624.66	2,793,122	802,502	55,916	1,934,704	-	1,061,004	-	2,995,709	3,854,127	12,157	3,553,181	8%																																		
09-006	West Fargo 6	8,067.23	9,003.66	110.00	20,811.89	79,322,245	9,369,159	859,689	69,093,396	-	-	-	69,093,396	79,322,245	8,810	71,602,170	11%																																		
09-007	Mapleton 7	88.38	121.89	104.70	40,338.03	1,073,851	245,840	15,343	812,668	-	296,546	-	1,109,214	1,370,397	11,243	1,313,656	4%																																		
09-017	Central Cass 17	792.14	885.09	110.00	22,040.86	7,797,643	975,407	211,591	6,610,645	(256,242)	-	-	6,354,402	7,541,400	8,520	6,949,850	9%																																		
09-080	Page 80	88.00	120.84	88.97	54,216.99	1,064,600	327,579	22,470	714,551	-	443,447	-	1,157,998	1,508,047	12,480	1,286,633	17%																																		
09-097	Northem Cass 97	563.56	635.93	105.52	25,207.88	5,602,543	801,522	67,557	4,733,464	-	-	-	5,602,543	8,810	5,311,613	5%																																			
10-019	Munich 19	89.00	144.03	101.92	61,548.08	1,268,904	443,239	126,614	699,052	-	793,277	-	1,492,329	2,062,181	14,318	1,839,546	12%																																		
10-023	Langdon Area 23	346.42	413.91	64.38	59,231.36	3,646,547	1,225,823	36,642	2,384,083	-	364,600	-	2,748,683	4,011,147	9,691	4,006,982	0%																																		
11-040	Ellendale 40	322.83	390.52	94.68	31,749.42	3,440,481	619,939	37,953	2,782,589	-	200,680	-	2,983,269	3,641,161	9,324	3,641,161	0%																																		
11-041	Oakes 41	504.00	561.78	101.26	27,123.67	4,949,282	761,877	39,476	4,147,929	-	19,789	-	4,167,718	4,969,071	8,845	4,745,724	5%																																		
12-001	Divide County 1	350.00	417.32	57.48	38,660.84	3,676,589	806,697	1,001,572	1,868,320	-	173,631	-	2,041,951	3,850,221	9,226	3,668,509	14%																																		
13-016	Killdeer 16	393.22	445.07	83.26	32,349.01	3,921,067	719,879	1,196,917	2,004,271	-	721,081	-	2,725,352	4,642,148	10,430	4,485,374	3%																																		
13-019	Halliday 19	44.00	71.69	97.21	39,549.46	631,589	141,765	71,087	418,737	-	191,689	-	610,426	823,278	11,484	682,164	21%																																		
13-037	Twin Buttes 37	40.84	57.53	-	23,521.29	506,839	67,659	70,096	369,084	(178,416)	-	(45,307)	145,361	283,116	4,921	271,216	4%																																		

#3



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2014
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

2

		\$8.810					50		75%		110%		102%					
							Local		State							State		
							Contribution								Total	Local	Prior Year	
CoDist	Entity Name	ADM	wsu	GF Levy	Tax Base per	Total Formula	from Property	Other Local	Foundation	Transition	Transition	EFB Offset	State Aid	State/Local	Funding	State/Local	Percent	
				Mills	wsu	Amount	Tax	In-Lieu	Payment	Maximum	Minimum		Payment	Funding	per wsu	Funding	Change	
14-002	New Rockford-Sheyenne 2	340.00	402.88	94.47	26,049.29	3,549,373	524,737	41,852	2,982,784	-	-	-	2,982,784	3,549,373	8,810	3,187,950	11%	
15-006	Hazellton-Moffitt-Braddock 6	89.00	144.76	98.38	42,612.59	1,275,336	308,430	14,693	952,213	-	159,287	-	1,111,500	1,434,622	9,910	1,330,610	8%	
15-010	Bakker 10	4.00	5.55	94.48	334,828.47	48,896	48,896	-	-	-	162,612	-	162,612	211,508	38,109	211,508	0%	
15-015	Strasburg 15	148.77	213.88	96.51	21,903.54	1,884,283	234,236	57,112	1,592,934	(43,671)	-	-	1,549,264	1,840,612	8,606	1,560,235	18%	
15-036	Linton 36	304.72	382.39	96.26	18,240.88	3,368,856	348,757	29,543	2,990,556	(282,411)	-	-	2,708,146	3,086,445	8,071	2,829,487	9%	
16-049	Carlington 49	544.99	610.36	100.00	28,997.55	5,377,272	884,947	169,789	4,322,535	-	82,998	-	4,405,533	5,460,269	8,946	5,264,356	4%	
17-003	Beach 3	284.86	365.18	91.16	17,036.15	3,217,236	311,063	626,657	2,279,515	(21,881)	-	-	2,257,634	3,195,355	8,750	2,965,004	8%	
17-006	Lone Tree 6	29.42	40.40	21.98	60,735.00	355,924	122,685	53,408	179,831	-	42,472	-	222,303	398,396	9,861	353,460	13%	
18-001	Grand Forks 1	7,068.03	7,966.17	123.78	20,477.59	70,181,958	8,156,398	3,022,238	59,003,322	-	-	-	59,003,322	70,181,958	8,810	63,880,709	10%	
18-044	Larimore 44	412.44	464.43	107.89	23,812.55	4,091,628	552,963	159,653	3,379,012	-	26,976	-	3,405,988	4,118,604	8,868	3,948,035	4%	
18-061	Thompson 61	430.00	481.38	109.83	19,469.99	4,240,958	468,623	44,612	3,727,723	-	-	-	3,727,723	4,240,958	8,810	4,053,367	5%	
18-125	Manvel 125	127.00	189.01	11.04	28,788.37	1,665,178	272,064	21,905	1,371,209	(339,157)	-	-	1,032,052	1,326,021	7,016	1,203,114	10%	
18-127	Emerado 127	76.06	105.05	111.51	28,285.98	925,491	148,572	30,765	746,153	-	86,559	-	832,712	1,012,049	9,634	1,012,049	0%	
18-128	Midway 128	205.00	280.82	116.81	31,825.67	2,474,024	446,864	44,591	1,982,569	-	475,701	-	2,458,269	2,949,725	10,504	2,688,502	10%	
18-129	Northwood 129	248.15	329.06	95.84	26,140.62	2,899,019	430,092	64,808	2,404,119	-	-	-	2,404,119	2,899,019	8,810	2,794,880	4%	
19-018	Roosevelt 18	103.00	154.41	99.47	23,659.98	1,360,352	182,667	36,272	1,141,413	-	-	-	1,141,413	1,360,352	8,810	1,208,349	13%	
19-049	Elgin-New Leipzig 49	134.00	197.35	128.84	31,868.34	1,738,654	314,461	45,416	1,378,777	-	303,513	-	1,682,290	2,042,166	10,348	1,860,702	10%	
20-007	Midkota 7	136.00	197.35	118.29	48,092.76	1,738,654	474,555	24,083	1,240,015	-	737,352	-	1,977,367	2,476,005	12,546	2,142,706	16%	
20-018	Griggs County Central 18	234.00	312.51	110.00	34,148.17	2,753,213	533,582	48,200	2,171,431	-	344,296	-	2,430,608	3,143,971	9,913	2,910,507	8%	
21-001	Mott-Regent 1	239.00	317.17	97.80	43,000.13	2,794,268	681,918	31,446	2,080,904	-	349,703	-	2,430,608	3,143,971	9,913	2,910,507	8%	
21-009	New England 9	185.00	255.67	97.85	36,365.97	2,252,453	464,884	240,162	1,547,407	-	344,874	-	1,892,281	2,597,327	10,159	2,530,664	3%	
22-001	Kidder County 1	365.00	444.11	76.10	28,099.39	3,912,609	623,961	136,765	3,151,883	(160,128)	-	-	2,991,755	3,752,481	8,449	3,578,952	5%	
22-014	Robinson 14	5.00	6.96	71.50	210,989.37	61,318	61,318	-	-	-	120,455	(49,255)	71,200	132,518	19,040	181,772	-27%	
23-003	Edgeley 3	218.77	295.28	103.42	30,677.26	2,601,417	452,919	29,290	2,119,207	-	141,630	-	2,260,837	2,743,047	9,290	2,743,047	0%	
23-007	Kulm 7	116.00	188.78	98.80	42,622.60	1,663,152	402,315	18,986	1,241,851	-	537,518	-	1,779,369	2,200,670	11,657	1,747,227	26%	
23-008	LaMoure 8	319.35	390.67	102.96	25,606.89	3,441,803	500,192	34,827	2,906,784	-	-	-	2,906,784	3,441,803	8,810	3,044,539	13%	
24-002	Napoleon 2	268.00	348.79	83.57	19,043.63	3,072,840	332,111	20,827	2,719,902	(274,926)	-	-	2,444,975	2,797,914	8,022	2,445,109	14%	
24-056	Gackle-Streeter 56	87.00	141.30	82.20	53,122.98	1,244,853	375,314	24,954	844,585	-	96,686	-	941,271	1,341,539	9,494	1,308,254	3%	
25-001	Velva 1	393.14	446.11	101.56	26,210.17	3,930,229	584,631	83,803	3,261,796	-	-	-	3,261,796	3,930,229	8,810	3,645,726	8%	
25-014	Anamoose 14	95.76	132.34	103.94	21,812.44	1,165,915	144,333	22,020	999,562	(6,688)	-	-	992,875	1,159,228	8,759	1,034,493	12%	
25-057	Drake 57	86.00	140.02	93.17	37,878.10	1,233,576	265,185	29,798	938,594	-	211,506	-	1,150,100	1,445,083	10,321	1,218,229	19%	
25-060	TGU 60	341.12	406.72	106.51	37,368.07	3,583,203	759,917	82,852	2,740,434	-	935,764	-	3,676,199	4,518,967	11,111	4,209,671	7%	
26-004	Zeeland 4	51.00	75.84	89.94	50,635.43	668,150	192,010	5,815	470,326	-	114,502	-	584,827	782,652	10,320	748,083	5%	
26-009	Ashley 9	129.00	190.11	101.54	28,151.20	1,674,869	267,591	20,600	1,386,678	-	123,228	-	1,509,906	1,798,097	9,458	1,654,071	9%	
26-019	Wishek 19	198.00	270.48	99.28	22,911.10	2,382,929	309,850	94,942	1,978,137	-	-	-	1,978,137	2,382,929	8,810	2,205,522	8%	
27-001	McKenzie Co 1	859.00	949.45	53.15	31,620.42	8,364,655	1,501,100	1,838,907	5,024,648	-	565,777	-	5,590,424	8,930,431	9,406	7,407,240	21%	
27-002	Alexander 2	122.00	196.92	55.93	44,656.99	1,734,865	439,693	324,591	970,581	-	287,239	-	1,257,820	2,022,104	10,269	1,454,826	39%	
27-014	Yellowstone 14	101.00	145.18	95.09	19,499.06	1,279,036	141,544	152,423	985,069	-	-	-	985,069	1,279,036	8,810	1,091,613	17%	
27-018	Earl 18	10.00	13.53	-	77,905.17	119,199	52,703	19,228	47,269	(47,269)	-	-	-	71,931	5,316	19,228	274%	
27-032	Horse Creek 32	3.00	4.08	20.88	516,446.81	35,945	35,945	-	-	-	69,764	(69,764)	-	35,945	8,810	105,708	-66%	
27-036	Mandaree 36	212.00	290.61	2.32	23,521.29	2,560,274	341,776	255,988	1,962,510	(840,936)	-	-	1,121,574	1,719,338	5,916	1,367,472	26%	
28-001	Wilton 1	206.00	276.91	86.96	34,051.53	2,439,577	471,460	272,235	1,695,882	-	133,085	-	1,828,967	2,572,662	9,291	2,549,180	1%	



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2014
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

School Finance							\$8,810	50	75%	110%	102%	State				
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local	State				State Aid Payment	Total State/Local Funding	/Local Funding per wsu	Prior Year State/Local Funding	Percent Change
							Contribution from Property Tax	Other Local In-Lieu	Foundation Payment	Transition Maximum	Transition Minimum					
28-004	Washburn 4	283.92	363.60	61.67	26,756.07	3,203,316	486,425	285,076	2,431,815	(121,676)	-	2,310,139	3,081,640	8,475	2,752,719	12%
28-008	Underwood 8	212.48	287.36	100.55	30,041.60	2,531,642	431,638	231,028	1,868,976	-	407,881	2,276,857	2,939,522	10,229	2,575,101	14%
28-050	Max 50	212.00	286.10	76.80	21,543.91	2,520,541	308,186	136,982	2,075,373	(116,950)	-	1,958,424	2,403,591	8,401	1,974,137	22%
28-051	Garrison 51	375.46	439.62	98.77	30,294.25	3,873,052	665,898	358,290	2,848,865	-	441,783	3,290,647	4,314,835	9,815	4,035,854	7%
28-072	Turtle Lake-Mercer 72	177.00	244.24	90.15	34,626.87	2,151,754	422,863	186,236	1,542,655	-	194,005	1,736,660	2,345,759	9,604	2,122,648	11%
28-085	White Shield 85	121.49	185.69	87.37	23,521.29	1,635,929	218,383	137,384	1,280,161	(421,913)	-	858,248	1,214,015	6,538	1,057,886	15%
29-003	Hazen 3	590.84	665.00	90.62	14,250.90	5,858,650	473,842	790,906	4,593,902	(63,334)	-	4,530,568	5,795,316	8,715	5,049,413	15%
29-027	Beulah 27	701.91	780.01	106.61	20,285.40	6,871,888	791,141	1,003,415	5,077,332	-	203,736	5,281,068	7,075,624	9,071	6,830,880	4%
30-001	Mandan 1	3,385.74	3,782.11	109.60	18,207.38	33,320,389	3,443,116	653,555	29,223,718	-	-	29,223,718	33,320,389	8,810	30,843,238	8%
30-004	Little Heart 4	15.00	20.39	100.37	51,307.90	179,636	52,308	5,538	121,789	-	80,664	202,453	260,300	12,766	230,665	13%
30-013	Hebron 13	192.00	267.73	87.45	22,501.49	2,358,701	301,216	45,952	2,011,533	(201,976)	-	1,809,556	2,156,725	8,056	1,892,186	14%
30-017	Sweet Briar 17	13.00	17.68	61.35	36,877.71	155,761	32,600	2,245	120,916	(6,459)	-	114,457	149,302	8,445	104,023	44%
30-039	Flasher 39	198.00	272.56	99.82	17,503.64	2,401,254	238,540	33,390	2,129,324	(137,997)	-	1,991,328	2,263,257	8,304	1,951,597	16%
30-048	Glen Ullin 48	151.00	215.31	81.43	37,004.64	1,896,881	398,373	88,070	1,410,438	-	50,453	1,460,891	1,947,334	9,044	1,947,334	0%
30-049	New Salem - Almont 49	333.00	397.42	102.47	19,878.11	3,501,270	394,998	89,052	3,017,220	(272,247)	-	2,744,973	3,229,023	8,125	2,772,165	16%
31-001	New Town 1	749.30	841.70	71.43	14,220.72	7,415,377	598,479	5,670,561	1,146,337	-	3,282,111	4,428,448	10,697,488	12,709	10,186,444	5%
31-002	Stanley 2	601.00	672.30	93.64	41,688.05	5,922,963	1,401,344	552,635	3,968,985	-	993,608	4,962,593	6,916,571	10,288	6,153,997	12%
31-003	Parshall 3	266.00	347.85	71.41	37,632.19	3,064,559	654,518	367,526	2,042,514	-	54,731	2,097,245	3,119,289	8,967	3,109,643	0%
32-001	Dakota Prairie 1	248.28	329.60	100.33	53,900.12	2,903,776	888,274	59,005	1,956,497	-	1,025,567	2,982,065	3,929,343	11,922	3,929,343	0%
32-066	Lakota 66	195.00	266.41	106.90	27,352.76	2,347,072	364,352	32,436	1,950,283	-	5,656	1,955,939	2,352,728	8,831	2,338,718	1%
33-001	Center-Stanton 1	200.00	271.65	94.94	32,520.99	2,393,237	441,716	294,393	1,657,127	-	368,238	2,025,364	2,761,474	10,166	2,761,474	0%
34-006	Cavalier 6	415.77	470.76	110.00	24,200.49	4,147,396	569,631	84,206	3,493,558	-	36,741	3,530,299	4,184,136	8,888	3,949,603	6%
34-019	Drayton 19	142.00	204.41	130.00	38,289.27	1,800,852	391,335	49,092	1,360,425	-	383,319	1,743,743	2,184,171	10,685	1,984,103	10%
34-043	St Thomas 43	85.00	129.64	135.00	33,678.73	1,142,128	218,306	15,677	908,146	-	495,997	1,404,143	1,638,125	12,636	1,067,738	53%
34-100	North Border 100	442.14	504.65	109.42	40,699.19	4,445,967	1,026,942	83,906	3,335,119	-	1,213,133	4,548,251	5,659,099	11,214	5,659,099	0%
34-118	Valley-Edinburg 118	218.00	300.34	110.00	37,329.91	2,645,995	560,583	28,783	2,056,630	-	348,584	2,405,214	2,994,580	9,971	2,987,281	0%
35-001	Wolford 1	40.00	59.51	108.96	47,468.56	5,372,955	141,243	7,531	375,510	-	172,612	548,121	696,895	11,711	696,895	0%
35-005	Rugby 5	543.00	609.87	87.66	29,252.83	5,372,955	892,021	84,573	4,396,361	-	-	4,396,361	5,372,955	8,810	5,247,954	2%
36-001	Devils Lake 1	1,656.52	1,841.76	110.00	14,653.54	16,225,906	1,349,415	183,392	14,693,098	-	-	14,693,098	16,225,906	8,810	15,051,903	8%
36-002	Edmore 2	54.00	86.94	105.37	77,355.16	765,941	336,263	16,473	413,205	-	409,534	822,740	1,175,476	13,521	1,175,476	0%
36-044	Starkweather 44	66.92	108.95	88.03	39,309.46	959,850	214,138	10,566	735,146	-	80,238	815,383	1,040,087	9,546	1,025,683	1%
37-006	Fl Ransom 6	26.00	35.54	44.98	102,850.25	313,107	182,765	4,861	125,481	-	105,701	231,182	418,808	11,784	414,062	1%
37-019	Lisbon 19	609.66	689.62	109.71	18,883.35	6,075,552	651,117	101,889	5,322,546	-	-	5,322,546	6,075,552	8,810	5,818,832	4%
37-024	Enderlin Area 24	306.41	376.96	100.25	29,281.54	3,321,018	551,898	63,937	2,705,182	-	6,992	2,712,175	3,328,010	8,829	3,312,696	0%
38-001	Mohall-Lansford-Sherwood 1	339.61	407.19	89.59	41,344.42	3,587,344	841,752	551,772	2,193,821	-	732,107	2,925,927	4,319,451	10,608	4,319,451	0%
38-026	Glenburn 26	270.00	353.00	88.33	22,097.93	3,109,930	390,028	296,494	2,423,408	-	-	2,423,408	3,109,930	8,810	2,751,852	13%
39-008	Hankinson 8	281.72	362.00	109.78	23,826.68	3,189,220	431,263	55,494	2,702,463	-	-	2,702,463	3,189,220	8,810	3,069,431	4%
39-018	Fairmount 18	112.00	166.70	110.00	28,183.55	1,468,627	234,910	12,740	1,220,977	-	192,881	1,413,858	1,661,508	9,967	1,490,661	11%
39-028	Lidgerwood 28	176.00	243.34	104.44	21,848.89	2,143,825	265,835	25,699	1,852,291	-	-	1,852,291	2,143,825	8,810	1,875,065	14%
39-037	Wahpeton 37	1,232.66	1,374.07	110.00	19,154.45	12,105,557	1,315,978	162,969	10,626,610	-	-	10,626,610	12,105,557	8,810	11,496,477	5%
39-042	Wyndmere 42	212.00	290.51	94.65	31,597.18	2,559,393	458,965	22,801	2,077,627	-	32,564	2,110,192	2,591,957	8,922	2,581,022	0%
39-044	Richland 44	264.00	349.06	108.18	23,316.55	3,075,219	406,944	34,681	2,633,594	-	-	2,633,594	3,075,219	8,810	2,938,804	5%



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2014
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

School Finance		\$8.810 50 75% 110% 102%											State				
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local		State				State Aid Payment	Total State/Local Funding	State/Local Funding per wsu	Prior Year State/Local Funding	Percent Change
							Contribution from Property Tax	Other Local In-Lieu	Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset					
40-001	Dunseith 1	624.23	706.47	95.44	23,521.29	6,224,001	830,854	23,445	5,369,702	(2,007,146)	-	-	3,362,556	4,216,854	5,969	3,560,396	18%
40-003	St John 3	381.93	445.57	76.91	23,521.29	3,925,472	524,019	71,080	3,330,372	(1,266,998)	-	-	2,063,374	2,658,473	5,966	2,294,480	16%
40-004	Mt Pleasant 4	232.00	308.53	82.58	30,809.53	2,718,149	475,283	158,797	2,084,070	-	29,445	-	2,113,515	2,747,594	8,905	2,697,562	2%
40-007	Belcourt 7	1,981.24	2,210.57	-	23,521.29	19,475,122	2,599,773	131	16,875,218	(7,538,630)	-	-	9,336,589	11,936,492	5,400	8,870,294	35%
40-029	Rolette 29	164.00	229.70	107.66	17,944.21	2,023,657	206,089	21,384	1,796,184	(85,340)	-	-	1,710,844	1,938,317	8,438	1,651,103	17%
41-002	Milnor 2	218.00	294.48	89.60	17,662.98	2,594,369	260,070	19,679	2,314,620	(130,825)	-	-	2,183,795	2,463,544	8,366	2,265,216	9%
41-003	North Sargent 3	220.00	299.67	99.44	13,739.23	2,640,093	205,862	37,401	2,396,830	(198,181)	-	-	2,198,649	2,441,911	8,149	2,269,996	8%
41-006	Sargent Central 6	211.00	284.87	99.36	46,355.66	2,509,705	660,267	32,017	1,817,421	-	476,493	-	2,293,914	2,986,198	10,483	2,986,198	0%
42-016	Goodrich 16	28.00	41.84	102.57	60,115.97	368,610	125,763	20,642	222,206	-	338,786	-	560,992	707,397	16,907	522,631	35%
42-019	McClusky 19	78.00	126.00	100.93	32,770.14	1,110,060	206,452	61,006	842,602	-	140,976	-	983,577	1,251,036	9,929	1,160,411	8%
43-003	Solen 3	165.32	235.70	100.05	23,521.29	2,076,517	277,198	11,769	1,787,550	(422,434)	-	-	1,365,116	1,654,083	7,018	1,631,881	1%
43-004	Ft Yates 4	297.27	390.29	-	23,521.29	3,438,455	459,006	16,227	2,963,222	(1,325,420)	-	-	1,637,802	2,113,035	5,414	1,919,514	10%
43-008	Selfridge 8	78.00	129.40	98.51	16,125.26	1,140,014	104,330	7,821	1,027,862	(78,407)	-	-	949,455	1,061,607	8,204	761,338	39%
44-012	Marmarth 12	13.00	19.80	24.07	121,097.32	174,438	119,886	54,552	-	-	6,681	(6,681)	-	174,438	8,810	181,119	-4%
44-032	Central Elementary 32	3.00	4.46	24.56	438,117.04	39,293	39,293	-	-	-	182,682	(182,682)	-	39,293	8,810	145,407	-73%
45-001	Dickinson 1	2,877.68	3,195.44	104.04	22,465.58	28,151,826	3,589,371	901,708	23,660,747	-	-	-	23,660,747	28,151,826	8,810	25,614,241	10%
45-009	South Heart 9	246.00	325.76	78.56	22,782.24	2,869,946	371,077	234,137	2,264,731	(203,295)	-	-	2,061,436	2,666,651	8,186	2,406,738	11%
45-013	Belfield 13	227.31	305.05	52.48	18,695.38	2,687,491	285,151	265,208	2,137,131	(131,957)	-	-	2,005,174	2,555,533	8,377	2,342,327	9%
45-034	Richardton-Taylor 34	275.77	358.96	104.85	23,038.37	3,162,438	413,493	219,531	2,529,414	-	16,976	-	2,546,390	3,179,414	8,857	3,015,126	5%
46-010	Hope 10	93.00	138.13	89.22	78,064.11	1,216,925	539,150	21,329	656,447	-	809,270	-	1,465,716	2,026,195	14,669	1,825,829	11%
46-019	Finley-Sharon 19	128.00	188.65	98.60	49,673.53	1,662,007	468,546	25,177	1,168,284	-	500,599	-	1,668,883	2,162,606	11,464	2,095,589	3%
47-001	Jamestown 1	2,130.82	2,384.96	110.00	18,009.22	21,011,498	2,147,563	254,956	18,608,978	-	-	-	18,608,978	21,011,498	8,810	20,081,099	5%
47-003	Medina 3	157.00	222.11	110.00	23,484.22	1,956,789	260,804	32,204	1,663,781	-	72,980	-	1,736,761	2,029,770	9,139	1,759,177	15%
47-010	Pingree-Buchanan 10	146.00	208.26	102.03	25,229.67	1,834,771	262,717	21,672	1,550,382	-	-	-	1,550,382	1,834,771	8,810	1,741,468	5%
47-014	Montpelier 14	109.00	161.97	104.40	24,891.46	1,426,956	201,583	9,719	1,215,653	-	29,466	-	1,245,119	1,456,422	8,992	1,276,588	14%
47-019	Kensal 19	33.00	49.14	110.00	70,118.17	432,923	172,280	6,485	254,158	-	319,853	-	574,011	752,776	15,319	714,587	5%
48-010	North Star 10	264.66	362.01	57.82	35,758.32	3,189,308	647,243	62,422	2,479,642	-	-	-	2,479,642	3,189,308	8,810	2,745,435	16%
49-003	Central Valley 3	231.00	307.11	105.53	29,726.90	2,705,639	456,471	67,702	2,181,466	-	133,867	-	2,315,333	2,839,506	9,246	2,640,882	8%
49-007	Hatton 7	171.00	238.52	103.66	26,850.81	2,101,361	320,223	25,738	1,755,401	-	34,916	-	1,790,316	2,136,277	8,956	2,136,277	0%
49-009	Hillsboro 9	431.00	483.91	107.00	28,654.76	4,263,247	693,316	62,733	3,507,198	-	490,279	-	3,997,477	4,753,526	9,823	4,309,670	10%
49-014	May-Port CG 14	501.67	564.42	103.57	28,313.43	4,972,540	799,033	130,227	4,043,280	-	316,625	-	4,359,906	5,289,165	9,371	5,074,933	4%
50-003	Grafton 3	890.71	1,036.77	110.00	11,920.29	9,133,944	617,930	95,393	8,420,620	-	-	-	8,420,620	9,133,944	8,810	7,629,032	20%
50-005	Fordville-Lankin 5	47.00	69.61	110.00	69,373.71	613,264	241,455	12,468	359,341	-	478,999	-	838,340	1,092,263	15,691	1,092,263	0%
50-020	Minto 20	230.84	311.23	110.00	16,050.77	2,741,936	249,774	23,952	2,468,210	(152,994)	-	-	2,315,216	2,588,942	8,318	2,086,712	24%
50-078	Park River 78	411.37	463.11	110.00	17,573.40	4,079,999	406,921	48,455	3,624,624	-	-	-	3,624,624	4,079,999	8,810	3,792,808	8%
50-128	Adams 128	27.00	36.95	110.00	67,597.37	325,530	124,886	10,169	190,475	-	309,585	-	500,060	635,115	17,188	635,115	0%
51-001	Minot 1	7,311.24	8,153.17	105.57	18,601.76	71,829,428	7,583,166	6,528,603	57,717,659	-	-	-	57,717,659	71,829,428	8,810	65,599,931	9%
51-004	Nedrose 4	254.00	279.53	63.57	51,774.89	2,462,659	723,632	29,457	1,709,570	-	345,816	-	2,055,386	2,808,475	10,047	2,457,509	14%
51-007	United 7	583.39	654.03	109.50	18,930.80	5,762,004	619,066	146,213	4,996,726	-	-	-	4,996,726	5,762,004	8,810	5,295,260	9%
51-016	Sawyer 16	131.00	191.59	102.09	25,193.11	1,687,908	241,337	43,422	1,403,149	-	-	-	1,403,149	1,687,908	8,810	1,526,462	11%
51-028	Kenmare 28	295.00	373.83	85.43	33,525.92	3,293,442	626,650	53,755	2,613,037	-	99,065	-	2,712,103	3,392,508	9,075	3,304,814	3%
51-041	Surrey 41	389.38	443.40	103.39	14,852.42	3,906,354	329,278	168,931	3,408,145	-	-	-	3,408,145	3,906,354	8,810	3,522,596	11%

State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year	2014
Date	2/12/2013
Version	1.05 House Sub-committee Recommendations
110%	102%

School Finance		\$8.310					50		75%		110%		102%		State		
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local		State Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset	State Aid Payment	Total State/Local Funding	Local Funding per wsu	Prior Year State/Local Funding	Percent Change
							Contribution from Property Tax	Other Local In-Lieu									
51-070	South Prairie 70	199.00	255.36	37.65	40,214.69	2,249,722	513,461	51,019	1,685,241	(46,050)	-	-	1,639,191	2,203,671	8,630	1,743,584	26%
51-161	Lewis and Clark 161	397.00	448.29	82.84	41,522.10	3,949,435	930,697	89,104	2,929,633	-	724,927	-	3,654,560	4,674,361	10,427	4,379,176	7%
52-025	Fessenden-Bowdon 25	141.13	203.95	90.94	57,451.91	1,796,800	585,866	28,758	1,182,176	-	567,669	-	1,749,845	2,364,468	11,593	2,111,243	12%
52-035	Pleasant Valley 35	6.00	8.34	79.43	199,272.30	73,475	73,475	-	-	-	128,562	(24,308)	104,254	177,730	21,311	202,037	-12%
52-038	Harvey 38	407.19	455.91	105.52	27,618.08	4,016,567	629,568	100,335	3,286,664	-	151,183	-	3,437,847	4,167,750	9,142	4,158,535	0%
53-001	Williston 1	2,851.33	3,166.20	107.73	17,101.79	27,894,222	2,707,384	1,310,618	23,876,220	-	497,686	-	24,373,906	28,391,908	8,967	25,580,410	11%
53-002	Nesson 2	275.00	355.88	62.54	29,458.59	3,135,303	524,186	213,711	2,397,405	-	-	-	2,397,405	3,135,303	8,810	2,688,279	17%
53-006	Eight Mile 6	191.00	260.77	108.33	10,619.83	2,297,384	138,467	140,443	2,018,474	(145,951)	-	-	1,872,523	2,151,433	8,250	1,774,266	21%
53-008	New 8	265.48	291.47	76.68	106,336.97	2,567,851	1,549,702	229,219	788,930	-	2,861,487	-	3,650,418	5,429,338	18,627	4,194,642	29%
53-015	Tioga 15	396.00	446.79	71.62	36,987.05	3,936,220	826,272	878,215	2,231,733	-	777,142	-	3,008,876	4,713,362	10,549	3,886,519	21%
53-099	Grenora 99	139.00	203.76	110.00	34,843.64	1,795,126	354,987	122,448	1,317,691	-	494,084	-	1,812,375	2,289,810	11,238	1,809,503	27%
Statewide		100,714.15	117,806.20	109.62	23,521.29	1,037,872.622	144,092,765	45,869,469	847,910,388	(20,184,253)	40,983,045	(1,289,771)	867,419,409	1,057,381,643	8,976	965,922,489	9%
Counts							179	174	172	40	105	7	867,419,409				

Notes:

CoDist	District State Issued ID
Entity Name	District Name
ADM	Average Daily Membership
wsu	Weighted students units generated in the state school aid formula.
GF Levy Mills	The school district's general fund levy mill rate in taxable year 2012.
Tax Base per wsu	The school district's taxable valuation divided by wsu, if less than 40% of the state average Tax Base per wsu then the state average is used.
Total Formula Amount	\$8,810 adequacy rate times wsu.
Local Contribution from Property	50 mill assumed contribution times Taxable Valuation.
Other Local In-Lieu	75% of Tuition, County, REC, Telecommunications, Mobile Home and Other Local In-lieu revenue.
State Foundation Payment	Total Formula Amount minus the sum of (Local Contribution from Property Tax, and Other Local In-Lieu), cannot be less than 0.
Transition Maximum	Maximum funding per weighted student unit adjustment based on the baseline State/Local funding level.
Transition Minimum	Minimum funding per weighted student unit adjustment based on the baseline State/Local funding level. Cannot be less than prior year state/local funding.
EFB Offset	Excess Ending Fund Balance offset.
State Aid Payment	Total State Aid payment.
Total State/Local Funding	Total State Aid Payment, Local Contribution from Property Tax and Other Local In-Lieu.
State /Local Funding per wsu	Total State/Local Funding divided by wsu.
Prior Year State/Local Funding	Prior Year State/Local Funding.
Percent Change	The percentage change in State/Local funding over the prior year.

Concept:

State guarantees funding at the adequacy target from a combination of state and local funds.
Assumed local contribution of 50 mills and 75% of other local in-lieu of property tax funds for operating costs.
Establish a baseline funding level to protect school district budgets.



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

\$9,092

50

75%

School Year 2015

Date 2/12/2013

Version 1.05 House Sub-committee Recommendations

120%

104%

11/13/19

2012-2013

2nd year

WSU x 9052

Less 50 Mills

Less 75% in Lieu

Formula Amt Less Sec 95

CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local Contribution		State Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset	State Aid Payment	Total State/Local Funding	Local Funding per wsu	Prior Year State/Local Funding	Percent Change
							From Property Tax	Other Local In-Lieu									
01-013	Hettinger 13	295.89	378.18	93.86	25,095.93	3,438,413	474,539	48,826	2,915,048	-	-	-	2,915,048	3,438,413	9,092	3,255,471	6%
02-002	Valley City 2	1,114.86	1,239.20	110.00	25,591.73	11,266,806	1,585,664	95,907	9,585,235	-	-	-	9,585,235	11,266,806	9,092	10,866,430	4%
02-007	Barnes County North 7	277.54	359.46	100.21	63,403.54	3,268,210	1,139,552	46,039	2,082,620	-	1,281,852	-	3,364,471	4,550,062	12,658	4,510,767	1%
02-046	Litchville-Marion 46	110.18	178.08	94.10	66,879.07	1,619,103	595,491	37,506	986,106	-	730,883	-	2,221,169	2,349,986	13,196	2,301,170	2%
03-005	Minnewaukan 5	273.08	359.88	74.90	24,876.87	3,272,029	447,634	62,885	2,761,510	(540,341)	-	-	2,221,169	2,731,688	7,591	2,424,865	13%
03-006	Leeds 6	148.83	213.16	83.25	39,414.32	1,938,051	420,078	24,693	1,493,280	-	120,904	-	1,614,183	2,058,955	9,659	1,959,487	5%
03-009	Maddock 9	164.00	229.07	83.93	32,948.97	2,082,704	377,381	49,276	1,656,048	-	6,118	-	1,662,166	2,088,823	9,119	1,985,245	5%
03-016	Oberon 16	55.48	76.99	81.95	24,091.18	699,993	92,739	6,991	600,263	(17,580)	-	-	582,682	682,413	8,864	586,220	16%
03-029	Warwick 29	281.85	364.36	68.56	24,876.87	3,312,761	453,207	12,596	2,846,959	(934,573)	-	-	1,912,386	2,378,188	6,527	2,132,859	12%
03-030	Fl Totten 30	143.29	228.98	86.27	24,876.87	2,063,702	282,328	12,043	1,769,331	(745,021)	-	-	1,024,310	1,318,681	5,810	1,214,543	9%
04-001	Billings Co 1	91.22	136.20	29.93	66,409.42	1,238,330	452,248	786,082	-	-	1,227,331	(1,227,331)	-	1,238,330	9,092	898,003	38%
05-001	Bottineau 1	623.78	705.44	68.44	40,676.37	6,413,860	1,434,737	589,904	4,389,219	-	-	-	4,774,076	6,798,717	9,638	6,611,543	3%
05-017	Westhope 17	131.36	191.97	93.27	36,447.04	1,745,391	349,837	119,739	1,275,816	-	222,529	-	1,498,345	1,967,920	10,251	1,954,406	1%
05-054	Newburg-United 54	63.22	101.88	81.73	80,505.84	926,293	410,097	67,997	448,199	-	711,654	-	1,159,852	1,637,947	16,077	1,575,385	4%
06-001	Bowman County 1	510.43	573.53	91.16	38,751.33	5,214,535	1,111,253	1,029,290	3,073,992	-	1,299,181	-	4,373,173	6,513,716	11,357	5,874,841	11%
06-033	Scranton 33	145.69	208.32	86.78	32,784.48	1,894,045	341,483	308,738	1,243,825	-	253,495	-	1,497,320	2,147,541	10,309	1,946,696	10%
07-014	Bowbells 14	70.61	114.49	84.43	49,801.08	1,040,943	285,086	232,409	523,448	-	557,922	-	1,081,370	1,598,865	13,965	1,378,832	16%
07-027	Powers Lake 27	161.65	225.02	78.63	18,423.98	2,045,882	207,288	492,979	1,345,615	-	251,872	-	1,597,487	2,297,754	10,211	2,015,211	14%
07-036	Burke Central 36	137.75	198.71	81.02	39,300.72	1,806,671	390,472	291,478	1,124,721	-	403,749	-	1,528,470	2,210,420	11,124	2,072,996	7%
08-001	Bismarck 1	11,670.50	13,145.55	121.41	22,948.17	119,519,341	15,083,316	2,158,845	102,277,180	-	-	-	102,277,180	119,519,341	9,092	113,523,193	5%
08-025	Naughton 25	4.07	5.53	61.59	82,654.45	50,279	22,854	1,515	25,910	-	94,440	-	120,350	144,718	26,170	144,718	0%
08-028	Wing 28	111.41	181.16	83.82	18,953.26	1,647,107	171,679	102,045	1,373,383	(24,338)	-	-	1,349,044	1,622,768	8,958	1,455,596	11%
08-033	Menoken 33	26.61	36.58	96.54	56,113.46	332,585	102,632	9,314	220,640	-	76,427	-	297,067	409,013	11,181	391,935	4%
08-035	Sterling 35	34.01	46.78	96.17	71,486.28	425,324	167,206	16,462	241,655	-	234,306	-	475,961	659,630	14,101	627,721	5%
08-039	Apple Creek 39	60.77	82.56	28.93	54,367.80	750,636	224,430	10,978	515,228	-	-	-	515,228	750,636	9,092	701,828	7%
08-045	Manning 45	16.44	22.34	82.03	17,120.99	203,115	19,124	7,497	176,494	-	6,959	-	183,453	210,074	9,403	200,500	5%
09-001	Fargo 1	11,330.75	12,656.84	191.18	22,920.61	115,075,989	14,505,125	1,253,468	99,317,396	-	-	-	99,317,396	115,075,989	9,092	108,512,330	6%
09-002	Kindred 2	700.30	774.07	106.66	23,812.00	7,037,844	921,608	87,938	6,028,299	-	-	-	6,028,299	7,037,844	9,092	6,591,341	7%
09-004	Maple Valley 4	241.76	325.99	99.33	53,311.41	2,963,901	868,949	55,916	2,039,036	-	1,076,732	-	3,115,768	4,040,633	12,395	3,854,127	5%
09-006	West Fargo 6	8,303.22	9,261.95	110.00	21,906.67	84,209,649	10,144,924	859,689	73,205,036	-	-	-	73,205,036	84,209,649	9,092	79,322,245	6%
09-007	Mapleton 7	91.69	126.43	104.70	42,109.58	1,149,502	266,196	15,343	867,963	-	299,810	-	1,167,773	1,449,311	11,463	1,370,397	6%
09-017	Central Cass 17	813.93	909.10	110.00	23,235.53	8,265,537	1,056,171	211,591	6,997,775	-	-	-	6,997,775	8,265,537	9,092	7,541,400	10%
09-080	Page 80	91.58	125.74	88.97	56,418.42	1,143,228	354,703	22,470	766,055	-	456,738	-	1,222,793	1,599,966	12,724	1,508,047	6%
09-097	Northern Cass 97	579.72	653.92	105.52	26,544.18	5,945,441	867,889	67,557	5,009,995	-	-	-	5,009,995	5,945,441	9,092	5,602,543	6%
10-019	Munich 19	90.69	146.75	101.92	65,409.02	1,334,251	479,939	126,614	727,698	-	808,073	-	1,535,771	2,142,324	14,598	2,062,181	4%
10-023	Langdon Area 23	347.73	415.47	64.38	63,894.91	3,777,453	1,327,321	36,642	2,413,491	-	327,758	-	2,741,248	4,105,211	9,881	4,011,147	2%
11-040	Ellendale 40	322.78	390.54	94.68	34,376.51	3,550,790	671,270	37,953	2,841,566	-	120,667	-	2,962,234	3,671,457	9,401	3,641,161	1%
11-041	Oakes 41	501.05	558.49	101.26	29,542.52	5,077,791	824,960	39,476	4,213,355	-	-	-	4,213,355	5,077,791	9,092	4,969,071	2%
12-001	Divide County 1	430.20	483.80	57.48	36,109.61	4,398,710	873,491	1,001,572	2,523,646	-	152,381	-	2,676,027	4,551,090	9,407	3,850,221	18%
13-016	Killdeer 16	413.72	462.97	83.26	33,673.22	4,209,323	779,485	1,196,917	2,232,921	-	714,208	-	2,947,129	4,923,531	10,635	4,642,148	6%
13-019	Halliday 19	46.06	75.05	97.21	40,906.91	682,355	153,503	71,087	457,764	-	196,409	-	654,173	878,763	11,709	823,278	7%
13-037	Twin Buttes 37	44.27	62.29	-	24,876.87	566,341	77,479	70,096	418,766	(178,417)	-	(45,307)	195,041	342,616	5,500	283,116	21%

17 #



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2015
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

School Finance							\$9.092	50	75%	120%	104%	State					
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local	State					State Aid Payment	Total State/Local Funding	/Local Funding per wsu	Prior Year State/Local Funding	Percent Change
							Contribution From Property Tax	Other Local In-Lieu	Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset					
14-002	New Rockford-Sheyenne 2	321.00	386.23	94.47	29,422.11	3,511,603	568,185	41,852	2,901,566	-	-	-	2,901,566	3,511,603	9,092	3,549,373	-1%
15-006	Hazellton-Moffitt-Braddock 6	85.85	139.66	98.38	47,825.86	1,269,789	333,968	14,693	921,128	-	141,430	-	1,062,558	1,411,218	10,105	1,434,622	-2%
15-010	Bakker 10	3.76	5.21	94.48	386,212.11	47,369	47,369	-	-	-	164,138	-	164,138	211,508	40,596	211,508	0%
15-015	Strasburg 15	143.58	208.05	96.51	24,381.76	1,891,591	253,631	57,112	1,580,847	-	-	-	1,580,847	1,891,591	9,092	1,840,612	3%
15-036	Linton 36	296.31	377.00	96.26	20,033.61	3,427,684	377,634	29,543	3,020,508	(108,113)	-	-	2,912,394	3,319,571	8,805	3,086,445	8%
16-049	Carrington 49	534.99	599.20	100.00	31,983.34	5,447,926	958,221	169,789	4,319,916	-	17,612	-	4,337,528	5,465,539	9,121	5,460,269	0%
17-003	Beach 3	310.12	379.99	91.16	17,727.78	3,454,869	336,819	626,657	2,491,393	-	-	-	2,491,393	3,454,869	9,092	3,195,355	8%
17-006	Lone Tree 6	35.16	48.26	21.98	55,053.04	438,780	132,843	53,408	252,529	-	46,458	-	298,986	485,238	10,055	398,396	22%
18-001	Grand Forks 1	7,145.85	8,051.48	123.78	21,938.20	73,204,056	8,831,749	3,022,238	61,350,070	-	-	-	61,350,070	73,204,056	9,092	70,181,958	4%
18-044	Larimore 44	414.83	467.10	107.89	25,636.85	4,246,873	598,749	159,653	3,488,472	-	-	-	3,488,472	4,246,873	9,092	4,118,604	3%
18-061	Thompson 61	434.63	486.51	109.83	20,859.80	4,423,349	507,425	44,612	3,871,312	-	-	-	3,871,312	4,423,349	9,092	4,240,958	4%
18-125	Manvel 125	128.52	188.82	11.04	31,203.41	1,716,751	294,591	21,905	1,400,255	(271,637)	-	-	1,128,618	1,445,114	7,653	1,326,021	9%
18-127	Emerado 127	77.29	106.74	111.51	30,143.13	970,480	160,874	30,765	778,841	-	41,569	-	820,410	1,012,049	9,481	1,012,049	0%
18-128	Midway 128	206.79	283.23	116.81	34,167.61	2,575,127	483,865	44,591	2,046,671	-	458,246	-	2,504,918	3,033,374	10,710	2,949,725	3%
18-129	Northwood 129	250.77	332.51	95.84	28,011.38	3,023,181	465,703	64,808	2,492,669	-	-	-	2,492,669	3,023,181	9,092	2,899,019	4%
19-018	Roosevelt 18	116.18	174.18	99.47	22,711.18	1,583,645	197,792	36,272	1,349,581	-	-	-	1,349,581	1,583,645	9,092	1,360,352	16%
19-049	Elgin-New Leipzig 49	153.82	219.49	128.84	31,026.31	1,995,603	340,498	45,416	1,609,689	-	320,201	-	1,929,890	2,315,804	10,551	2,042,166	13%
20-007	Midkota 7	130.84	191.51	118.29	53,662.84	1,741,209	513,849	24,083	1,203,277	-	-	-	1,203,277	2,449,848	12,792	2,476,005	-1%
20-018	Griggs County Central 18	220.16	296.52	110.00	38,969.57	2,695,960	577,763	48,200	2,069,997	-	401,550	-	2,471,547	3,097,509	10,446	3,097,509	0%
21-001	Mott-Regent 1	259.20	341.12	97.80	43,291.53	3,101,463	738,380	31,446	2,331,637	-	346,216	-	2,677,852	3,447,679	10,107	3,143,971	10%
21-009	New England 9	195.80	268.29	97.85	37,524.83	2,439,293	503,377	240,162	1,695,754	-	339,682	-	2,035,436	2,778,974	10,358	2,597,327	7%
22-001	Kidder County 1	345.40	410.59	76.10	32,909.96	3,733,084	675,625	136,765	2,920,694	-	-	-	2,920,694	3,733,084	9,092	3,752,481	-1%
22-014	Robinson 14	4.60	6.40	71.50	248,449.48	58,189	58,189	-	-	-	123,583	(49,255)	74,329	132,518	20,706	132,518	0%
23-003	Edgeley 3	219.43	296.16	103.42	33,118.64	2,692,687	490,421	29,290	2,172,976	-	96,878	-	2,269,854	2,789,565	9,419	2,743,047	2%
23-007	Kulm 7	111.99	182.28	98.80	47,797.49	1,657,290	435,626	18,986	1,202,678	-	509,272	-	1,711,950	2,166,562	11,886	2,200,670	-2%
23-008	LaMoure 8	311.71	382.77	102.96	28,299.40	3,480,145	541,608	34,827	2,903,710	-	-	-	2,903,710	3,480,145	9,092	3,441,803	1%
24-002	Napoleon 2	270.05	351.37	83.57	20,469.03	3,194,656	359,610	20,827	2,814,219	(119,809)	-	-	2,694,410	3,074,847	8,751	2,797,914	10%
24-056	Gackle-Streeter 56	87.95	142.86	82.20	56,893.44	1,298,883	406,390	24,954	867,539	-	84,062	-	951,601	1,382,945	9,680	1,341,539	3%
25-001	Velva 1	410.43	460.40	101.56	27,499.50	4,185,957	633,038	83,803	3,469,116	-	-	-	3,469,116	4,185,957	9,092	3,930,229	7%
25-014	Anamoose 14	99.32	137.25	103.94	22,773.58	1,247,877	156,284	22,020	1,069,573	-	-	-	1,069,573	1,247,877	9,092	1,159,228	8%
25-057	Drake 57	90.52	147.35	93.17	38,974.13	1,339,706	287,142	29,798	1,022,767	-	210,844	-	1,233,611	1,550,550	10,523	1,445,083	7%
25-060	TGU 60	355.75	420.18	106.51	39,165.99	3,820,277	822,838	82,852	2,914,587	-	939,781	-	3,854,368	4,760,058	11,329	4,518,967	5%
26-004	Zeeland 4	50.20	74.67	89.94	55,687.14	678,900	207,908	5,815	465,177	-	106,788	-	571,964	785,687	10,522	782,652	0%
26-009	Ashley 9	128.60	189.52	101.54	30,577.01	1,723,116	289,748	20,600	1,412,768	-	104,549	-	1,517,317	1,827,664	9,644	1,798,097	2%
26-019	Wishek 19	200.19	273.19	99.28	24,562.04	2,483,843	335,505	94,942	2,053,396	-	-	-	2,053,396	2,483,843	9,092	2,382,929	4%
27-001	McKenzie Co 1	1,024.35	1,120.58	53.15	29,009.82	10,188,313	1,625,391	1,838,907	6,724,016	-	558,417	-	7,282,433	10,746,731	9,590	8,930,431	20%
27-002	Alexander 2	146.16	208.20	55.93	45,734.80	1,892,954	476,099	324,591	1,092,264	-	286,900	-	1,379,164	2,179,855	10,470	2,022,104	8%
27-014	Yellowstone 14	121.37	173.00	95.09	17,718.32	1,572,916	153,263	152,423	1,267,229	-	-	-	1,267,229	1,572,916	9,092	1,279,036	23%
27-018	Earl 18	11.32	15.31	-	74,548.20	139,199	57,067	19,228	62,904	(62,904)	-	-	-	76,295	4,983	71,931	6%
27-032	Horse Creek 32	3.60	4.89	20.88	466,578.96	44,460	44,460	-	-	-	61,249	(61,249)	-	44,460	9,092	35,945	24%
27-036	Mandaree 36	254.82	340.52	2.32	24,876.87	3,096,008	423,554	255,988	2,416,467	(898,240)	-	-	1,518,227	2,197,768	6,454	1,719,338	28%
28-001	Wilton 1	217.31	289.74	86.96	35,238.31	2,634,316	510,497	272,235	1,851,584	-	110,327	-	1,961,910	2,744,643	9,473	2,572,662	7%



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2015
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

\$9,092 50 75% 120% 104%

CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local		State Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset	State Aid Payment	Total State/Local Funding	Prior Year State/Local Funding	Percent Change
							Contribution From Property Tax	Other Local In-Lieu								
28-004	Washburn 4	300.27	374.07	61.57	28,160.58	3,401,044	526,701	285,076	2,589,268	-	-	-	2,589,268	3,401,044	9,092	3,081,640 10%
28-008	Underwood 8	224.45	301.02	100.55	31,052.91	2,736,874	467,377	231,028	2,038,469	-	402,760	-	2,441,228	3,139,634	10,430	2,939,522 7%
28-050	Max 50	223.68	299.38	76.80	22,292.97	2,721,963	333,703	136,982	2,251,277	-	-	-	2,251,277	2,721,963	9,092	2,403,591 13%
28-051	Garrison 51	396.72	455.26	98.77	31,675.71	4,139,224	721,034	358,290	3,059,900	-	416,731	-	3,476,631	4,555,955	10,007	4,314,835 6%
28-072	Turtle Lake-Mercer 72	187.58	256.70	90.15	35,674.05	2,333,916	457,876	186,236	1,689,804	-	179,854	-	1,869,659	2,513,771	9,793	2,345,759 7%
28-085	White Shield 85	128.33	194.49	87.37	24,876.87	1,768,303	241,915	137,384	1,389,004	(381,159)	-	-	1,007,845	1,387,144	7,132	1,214,015 14%
28-085	Hazen 3	613.83	683.83	90.62	15,005.97	6,217,382	513,077	790,906	4,913,400	-	-	-	4,913,400	6,217,382	9,092	5,795,316 7%
29-003	Beulah 27	728.92	809.84	106.61	21,155.97	7,363,065	856,648	1,003,415	5,503,003	-	127,196	-	5,630,199	7,490,261	9,249	7,075,624 6%
30-001	Mandan 1	3,412.79	3,811.77	109.60	19,561.54	34,656,613	3,728,205	653,555	30,274,853	-	-	-	30,274,853	34,656,613	9,092	33,320,389 4%
30-004	Little Heart 4	15.07	20.49	100.37	55,285.05	186,295	56,640	5,538	124,117	-	80,410	-	204,528	266,705	13,016	260,300 2%
30-013	Hebron 13	193.75	270.12	87.45	24,149.04	2,455,931	326,157	45,952	2,083,822	(82,137)	-	-	2,001,685	2,373,794	8,788	2,156,725 10%
30-017	Sweet Briar 17	13.20	17.94	61.35	39,352.48	163,110	35,299	2,245	125,566	-	-	-	163,110	163,110	9,092	148,302 9%
30-039	Flasher 39	199.47	274.57	99.82	18,814.20	2,496,390	258,291	33,390	2,204,710	(9,175)	-	-	2,195,535	2,487,215	9,059	2,263,257 10%
30-048	Glen Ullin 48	152.28	216.91	81.43	39,773.06	1,972,146	431,359	88,070	1,452,717	-	9,058	-	1,461,775	1,981,204	9,134	1,947,334 2%
30-049	New Salem - Almont 49	335.17	399.78	102.47	21,396.96	3,634,800	427,704	89,052	3,118,044	(91,311)	-	-	3,026,732	3,543,488	8,864	3,229,023 10%
31-001	New Town 1	779.04	875.11	71.43	14,810.32	7,956,500	648,033	5,670,561	1,637,907	-	3,383,689	-	5,021,596	11,340,189	12,959	10,697,488 6%
31-002	Stanley 2	629.74	698.59	93.64	43,441.07	6,351,580	1,517,375	552,635	4,281,571	-	-	-	5,257,954	7,327,963	10,490	6,916,571 6%
31-003	Parshall 3	252.68	335.44	100.33	57,346.95	3,049,820	961,823	59,005	2,028,993	-	18,430	-	2,216,858	3,293,096	9,143	3,119,289 6%
32-001	Dakota Prairie 1	198.60	271.31	106.90	29,082.66	2,466,751	394,521	32,436	2,039,793	-	1,019,712	-	3,048,704	4,069,532	12,132	3,929,343 4%
32-066	Lakota 66	204.00	274.84	94.94	34,805.01	2,498,845	478,290	294,393	1,726,161	-	321,775	-	2,047,936	2,820,620	10,263	2,761,474 2%
33-001	Center-Stanton 1	399.47	457.01	110.00	26,992.70	4,155,135	616,797	84,206	3,454,132	-	-	-	3,454,132	4,155,135	9,092	4,184,136 -1%
34-006	Cavalier 6	135.95	197.30	130.00	42,953.68	1,793,852	423,738	49,092	1,321,022	-	355,684	-	1,676,706	2,149,536	10,895	2,184,171 -2%
34-019	Drayton 19	82.56	126.01	135.00	37,517.86	1,145,683	236,381	15,677	893,625	-	477,794	-	1,371,419	1,623,477	12,884	1,638,125 -1%
34-043	St Thomas 43	427.79	488.59	109.42	45,517.64	4,442,260	1,111,973	83,906	3,246,382	-	1,216,839	-	4,463,220	5,659,099	11,583	5,559,099 0%
34-100	North Border 100	210.44	288.43	110.00	42,089.91	2,622,406	607,000	28,783	1,986,623	-	364,876	-	2,351,499	2,987,281	10,357	2,994,580 0%
34-118	Valley-Edinburg 118	40.77	60.64	108.96	50,441.16	551,339	152,938	7,531	390,870	-	154,120	-	544,990	705,459	11,634	696,895 1%
35-001	Wolfford 1	555.23	623.54	87.66	30,980.55	5,669,226	965,881	84,573	4,618,773	-	-	-	4,618,773	5,669,226	9,092	5,372,955 6%
35-005	Rugby 5	1,705.58	1,895.56	110.00	15,416.51	17,234,432	1,461,146	183,392	15,589,893	-	-	-	15,589,893	17,234,432	9,092	16,225,906 6%
36-001	Devils Lake 1	53.32	85.85	105.37	84,823.64	1,015,940	364,105	16,473	399,969	-	394,928	-	794,897	1,175,476	13,692	1,175,476 0%
36-002	Edmore 2	68.64	111.74	88.03	41,501.51	1,015,940	231,869	10,566	773,505	-	71,698	-	845,204	1,087,638	9,734	1,040,087 5%
36-044	Starkweather 44	26.83	36.66	44.98	107,963.90	333,313	197,898	4,861	130,554	-	107,165	-	237,718	440,477	12,015	418,808 5%
37-006	Fi Ransom 6	614.36	694.81	109.71	20,294.16	6,317,213	705,029	101,889	5,510,294	-	-	-	5,510,294	6,317,213	9,092	6,075,552 4%
37-019	Lisbon 19	309.89	381.19	100.25	31,354.22	3,465,779	597,596	63,937	2,804,247	-	-	-	2,804,247	3,465,779	9,092	3,328,010 4%
37-024	Enderlin Area 24	369.38	434.24	89.59	41,979.03	3,948,110	911,449	551,772	2,484,890	-	693,886	-	3,178,775	4,641,996	10,690	4,319,451 7%
38-001	Mohall-Lansford-Sherwood 1	297.23	369.38	88.33	22,866.57	3,358,403	422,323	296,494	2,639,587	-	-	-	2,639,587	3,358,403	9,092	3,189,220 3%
38-026	Glenburn 26	280.54	362.01	109.78	25,798.82	3,291,395	466,972	55,494	2,768,930	-	-	-	2,768,930	3,291,395	9,092	3,189,220 3%
39-008	Hankinson 8	110.39	164.30	110.00	30,962.92	1,493,816	254,360	12,740	1,226,715	-	175,881	-	1,402,596	1,669,696	10,162	1,661,508 0%
39-018	Fairmount 18	174.11	242.13	104.44	23,776.21	2,201,446	287,847	25,699	1,887,901	-	-	-	1,887,901	2,201,446	9,092	2,143,825 3%
39-028	Lidgerwood 28	1,229.82	1,370.96	110.00	20,787.49	12,464,768	1,424,941	162,969	10,876,858	-	-	-	10,876,858	12,464,768	9,092	12,105,557 3%
39-037	Wahpeton 37	210.52	288.52	94.65	34,449.40	2,623,224	496,967	22,801	2,103,456	-	1,453	-	2,104,909	2,624,677	9,092	2,591,957 1%
39-042	Wyndmere 42	262.00	346.69	108.18	25,419.75	3,152,105	440,639	34,681	2,676,786	-	-	-	2,676,786	3,152,105	9,092	3,075,219 3%
39-044	Richland 44															

Integrated Fnd Formula 1.05 House Subcommittee.xdsm 2/12/2013 jac



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2015
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

School Finance		\$9,092					50	75%	120%	104%	State		Total	State/Local	Prior Year	Percent	
CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local	State	Transition	Transition	EFB Offset	State Aid	Funding	Funding	Funding	Change	
							Contribution From Property Tax	Other Local In-Lieu	Foundation Payment	Maximum		Minimum	Payment	per wsu	State/Local	Percent	
40-001	Dunseith 1	640.04	724.22	95.44	24,876.87	6,584,608	900,816	23,445	5,660,347	(1,868,824)	-	-	3,791,524	4,715,785	6,512	4,216,854	12%
40-003	St John 3	393.03	452.90	76.91	24,876.87	4,117,767	563,337	71,080	3,483,350	(1,169,904)	-	-	2,313,446	2,947,863	6,509	2,658,473	11%
40-004	Mt Pleasant 4	238.93	317.72	82.58	32,395.61	2,888,710	514,637	158,797	2,215,277	-	-	-	2,215,277	2,888,710	9,092	2,747,594	5%
40-007	Belcourt 7	2,038.78	2,274.39	-	24,876.87	20,678,754	2,828,985	131	17,849,638	(7,281,187)	-	-	10,568,451	13,397,567	5,891	11,936,492	12%
40-029	Rolette 29	168.96	234.76	107.66	19,011.20	2,134,438	223,153	21,384	1,889,901	-	-	-	1,889,901	2,134,438	9,092	1,938,317	10%
41-002	Milnor 2	216.75	292.79	89.60	19,235.87	2,662,047	281,604	19,679	2,360,764	-	-	-	2,360,764	2,662,047	9,092	2,463,544	8%
41-003	North Sargent 3	218.10	297.12	99.44	15,004.52	2,701,415	222,907	37,401	2,441,107	(60,180)	-	-	2,380,927	2,641,235	8,889	2,441,911	8%
41-006	Sargent Central 6	207.15	279.68	99.36	51,125.36	2,542,851	714,937	32,017	1,795,897	-	443,347	-	2,239,244	2,986,198	10,677	2,986,198	0%
42-016	Goodrich 16	24.62	36.77	102.57	74,068.94	334,313	136,176	20,642	177,495	-	299,554	-	477,049	633,867	17,239	707,397	-10%
42-019	McClusky 19	72.38	116.92	100.93	38,239.16	1,063,037	223,546	61,006	778,484	-	120,607	-	899,092	1,183,644	10,124	1,251,036	-5%
43-003	Solen 3	191.25	266.33	100.05	24,876.87	2,421,472	331,273	11,769	2,078,430	(382,523)	-	-	1,695,907	2,038,949	7,656	1,654,083	23%
43-004	Fi Yates 4	364.91	445.20	-	24,876.87	4,047,758	553,759	16,227	3,477,772	(1,418,320)	-	-	2,059,452	2,629,438	5,906	2,113,035	24%
43-008	Selfridge 8	88.22	146.11	98.51	15,463.55	1,328,432	112,969	7,821	1,207,642	(20,762)	-	-	1,186,880	1,307,670	8,950	1,061,607	23%
44-012	Marmarth 12	12.60	19.20	24.07	135,221.81	174,566	129,813	44,753	-	-	6,553	(6,553)	174,566	9,092	174,438	0%	
44-032	Central Elementary 32	2.40	3.56	24.56	594,323.98	32,368	32,368	-	-	-	148,288	(148,288)	32,368	9,092	39,293	-18%	
45-001	Dickinson 1	3,009.13	3,339.32	104.04	23,277.61	30,361,097	3,886,569	901,708	25,572,820	-	-	-	25,572,820	30,361,097	9,092	28,151,826	8%
45-009	South Heart 9	256.93	338.75	78.56	23,722.65	3,079,915	401,802	234,137	2,443,975	(54,840)	-	-	2,389,136	3,025,075	8,930	2,666,651	13%
45-013	Belfield 13	238.53	317.44	52.48	19,453.24	2,886,164	308,762	265,208	2,312,194	-	-	-	2,312,194	2,886,164	9,092	2,555,533	13%
45-034	Richardton-Taylor 34	288.17	366.46	104.85	24,435.40	3,331,854	447,730	219,531	2,664,594	-	-	-	2,664,594	3,331,854	9,092	3,179,414	5%
46-010	Hope 10	83.78	124.50	89.22	93,781.75	1,131,954	583,791	21,329	526,834	-	730,115	-	1,256,949	1,862,069	14,956	2,026,195	-8%
46-019	Finley-Sharon 19	124.22	201.24	89.60	50,421.50	1,829,674	507,341	25,177	1,297,156	-	522,492	-	1,819,648	2,352,166	11,688	2,162,606	9%
47-001	Jamestown 1	2,114.86	2,367.46	110.00	19,644.53	21,524,946	2,325,382	254,956	18,944,609	-	-	-	18,944,609	21,524,946	9,092	21,011,498	2%
47-003	Medina 3	154.91	220.87	110.00	25,571.47	2,008,150	282,399	32,204	1,693,547	-	49,865	-	1,743,412	2,058,015	9,318	2,029,770	1%
47-010	Pingree-Buchanan 10	144.28	207.24	102.03	27,453.14	1,884,226	284,469	21,672	1,578,085	-	-	-	1,578,085	1,884,226	9,092	1,834,771	3%
47-014	Montpelier 14	107.97	160.42	104.40	27,212.89	1,458,539	218,275	9,719	1,230,545	-	12,230	-	1,242,774	1,470,768	9,168	1,456,422	1%
47-019	Kensal 19	32.81	48.86	110.00	76,359.05	444,235	186,545	6,485	251,205	-	318,928	-	570,133	763,163	15,619	752,776	1%
48-010	North Star 10	267.66	360.71	57.82	38,858.65	3,279,575	700,835	62,422	2,516,318	-	-	-	2,516,318	3,279,575	9,092	3,189,308	3%
49-003	Central Valley 3	229.78	306.83	105.53	32,217.66	2,789,698	494,267	67,702	2,227,729	-	102,845	-	2,330,574	2,892,543	9,427	2,839,506	2%
49-007	Hatton 7	172.47	240.55	103.66	28,828.70	2,187,081	346,737	25,738	1,814,606	-	-	-	1,814,606	2,187,081	9,092	2,136,277	2%
49-009	Hillsboro 9	433.14	486.31	107.00	30,874.25	4,421,531	750,723	62,733	3,608,075	-	449,240	-	4,057,314	4,870,770	10,016	4,753,526	2%
49-014	May-Port CG 14	504.34	567.40	103.57	30,496.77	5,158,801	865,193	130,227	4,163,381	-	262,547	-	4,425,928	5,421,348	9,555	5,289,165	2%
50-003	Grafton 3	915.09	1,053.32	110.00	12,704.49	9,576,785	669,095	95,393	8,812,297	-	-	-	8,812,297	9,576,785	9,092	9,133,944	5%
50-005	Fordville-Lankin 5	48.16	71.33	110.00	73,306.52	648,532	261,448	12,468	374,617	-	443,731	-	818,347	1,092,263	15,313	1,092,263	0%
50-020	Minto 20	236.68	317.59	110.00	17,031.73	2,887,528	270,455	23,952	2,593,121	(5,513)	-	-	2,587,608	2,882,015	9,075	2,588,942	11%
50-078	Park River 78	421.16	474.05	110.00	18,589.34	4,310,063	440,614	48,455	3,820,994	-	288,619	-	3,820,994	4,310,063	9,092	4,079,999	6%
50-128	Adams 128	27.84	38.11	110.00	70,966.53	346,496	135,227	10,169	201,101	-	-	-	489,720	635,115	16,665	635,115	0%
51-001	Minot 1	7,415.19	8,267.12	105.57	19,864.36	75,164,655	8,211,052	6,528,603	60,425,000	-	-	-	60,425,000	75,164,655	9,092	71,829,428	5%
51-004	Nedrose 4	259.56	285.62	63.57	54,866.50	2,596,857	783,548	29,457	1,783,851	-	329,073	-	2,112,924	2,925,930	10,244	2,808,475	4%
51-007	Unitied 7	592.90	664.67	109.50	20,170.14	6,043,180	670,324	146,213	5,226,642	-	-	-	5,226,642	6,043,180	9,092	5,762,004	5%
51-016	Sawyer 16	132.79	194.23	102.09	26,908.32	1,765,939	261,320	43,422	1,461,197	-	-	-	1,461,197	1,765,939	9,092	1,687,908	5%
51-028	Kenmare 28	298.65	375.08	85.43	36,180.88	3,410,227	678,536	53,755	2,677,936	-	60,366	-	2,738,302	3,470,594	9,253	3,392,508	2%
51-041	Surrey 41	393.44	444.09	103.39	16,057.22	4,037,666	356,543	168,931	3,512,193	-	-	-	3,512,193	4,037,666	9,092	3,906,354	3%



State School Aid Adequacy Formula

North Dakota Department of Public Instruction
School Finance

School Year 2015
Date 2/12/2013
Version 1.05 House Sub-committee Recommendations

\$9,092 50 75% 120% 104%

CoDist	Entity Name	ADM	wsu	GF Levy Mills	Tax Base per wsu	Total Formula Amount	Local Contribution From Property Tax	Other Local In-Lieu	State Foundation Payment	Transition Maximum	Transition Minimum	EFB Offset	State Aid Payment	Total State/Local Funding	State /Local Funding per wsu	Prior Year State/Local Funding	Percent Change
51-070	South Prairie 70	202.71	222.33	37.65	50,013.55	2,021,424	555,976	51,019	1,414,430	-	-	-	1,414,430	2,021,424	9,092	2,203,671	-8%
51-161	Lewis and Clark 161	402.75	451.63	82.84	44,627.63	4,106,220	1,007,759	89,104	3,009,357	-	695,305	-	3,704,662	4,801,525	10,632	4,674,361	3%
52-025	Fessenden-Bowdon 25	139.20	202.74	90.94	62,580.21	1,843,312	634,376	28,758	1,180,179	-	553,215	-	1,733,394	2,396,527	11,821	2,364,468	1%
52-035	Pleasant Valley 35	6.12	8.50	79.43	211,710.46	77,282	77,282	-	-	-	124,755	(24,308)	100,448	177,730	20,909	177,730	0%
52-038	Harvey 38	404.00	452.35	105.52	30,140.21	4,112,766	681,696	100,335	3,330,735	-	103,522	-	3,434,257	4,216,288	9,321	4,167,750	1%
53-001	Williston 1	3,088.82	3,426.10	107.73	17,113.08	31,150,101	2,931,556	1,310,618	26,907,927	-	174,780	-	27,082,708	31,324,882	9,143	28,391,908	10%
53-002	Nesson 2	301.57	371.66	62.54	30,543.44	3,379,133	567,589	213,711	2,597,833	-	-	-	2,597,833	3,379,133	9,092	3,135,303	8%
53-006	Eight Mile 6	208.20	281.88	108.33	10,637.98	2,562,853	149,932	140,443	2,272,478	(25,838)	-	-	2,246,640	2,537,015	9,000	2,151,433	18%
53-008	New 8	287.18	315.26	76.68	106,452.91	2,866,344	1,678,017	229,219	959,108	-	3,121,288	-	4,080,396	5,987,632	18,993	5,429,338	10%
53-015	Tioga 15	427.23	477.30	71.62	37,489.53	4,339,612	894,688	878,215	2,566,709	-	794,343	-	3,361,052	5,133,954	10,756	4,713,362	9%
53-099	Grenora 99	149.93	216.23	110.00	35,552.88	1,965,963	384,380	122,448	1,459,135	-	511,628	-	1,970,763	2,477,591	11,458	2,289,810	8%
Statewide		103,441.69	120,609.56	109.62	24,876.87	1,096,582,120	156,160,013	46,165,415	894,256,691	(16,752,648)	39,813,197	(1,562,290)	915,754,950	1,118,080,379	9,270	1,057,381,643	6%
Counts							179	174	172	25	96	7	915,754,950				

Notes:

CoDist	District State Issued ID
Entity Name	District Name
ADM	Average Daily Membership
wsu	Weighted students units generated in the state school aid formula.
GF Levy Mills	The school district's general fund levy mill rate in taxable year 2012.
Tax Base per wsu	The school district's taxable valuation divided by wsu, if less than 40% of the state average Tax Base per wsu then the state average is used.
Total Formula Amount	\$9,092 adequacy rate times wsu.
Local Contribution From Property Tax	50 mill assumed contribution times Taxable Valuation.
Other Local In-Lieu	75% of Tuition, County, REC, Telecommunications, Mobile Home and Other Local In-lieu revenue.
State Foundation Payment	Total Formula Amount minus the sum of [Local Contribution From Property Tax, and Other Local In-Lieu], cannot be less than 0.
Transition Maximum	Maximum funding per weighted student unit adjustment based on the baseline State/Local funding level. Cannot be less than prior year state/local funding.
Transition Minimum	Minimum funding per weighted student unit adjustment based on the baseline State/Local funding level. Cannot be less than prior year state/local funding.
EFB Offset	Excess Ending Fund Balance offset.
State Aid Payment	Total State Aid payment.
Total State/Local Funding	Total State Aid Payment, Local Contribution from Property Tax and Other Local In-Lieu.
State /Local Funding per wsu	Total State/Local Funding divided by wsu.
Prior Year State/Local Funding	Prior Year State/Local Funding.
Percent Change	The percentage change in State/Local funding over the prior year.

Concept:

State guarantees funding at the adequacy target from a combination of state and local funds.
Assumed local contribution of 50 mills and 75% of other local in-lieu of property tax funds for operating costs.
Establish a baseline funding level to protect school district budgets.

HB 1319 K-12 Funding Formula
House Education
Sections with Fiscal Impact
13.0278.02009

Action	Section	Addtl wsu	Biennium Total	Description	Comment
Subcommittee recommendation	11		(9,000,000)	Mineral revenue exclusion removed	Not in Exec Recommendation estimates
HB 1319 as introduced	11		9,000,000	Mineral revenue exclusion added	Not in Exec Recommendation estimates
HB 1319 as introduced	11		(2,900,000)	Other in-lieu taxes	Not in Exec Recommendation estimates
HB 1319 as introduced	9	612	5,600,000	Increase special education factor	Not in Exec Recommendation estimates
Subcommittee recommendation	13		4,800,000	Baseline change	Not in Exec Recommendation estimates
Subcommittee recommendation	9	(405)	(3,700,000)	REA Factor	Not in Exec Recommendation estimates
Subcommittee recommendation	9	125	1,300,000	Isolated factor	Not in Exec Recommendation estimates
Subcommittee recommendation	10	850	7,750,000	Revised factors	Not in Exec Recommendation estimates
Budget reconciliation			4,000,000	Planned budget variance	Adjustments based on updated data
	1,183		16,850,000	Estimated unfunded expenditures	
HB 1013 - Integrated Formula Payments			1,787,400,000	Executive Recommendation	
Projected Expenditures			1,804,250,000		

#5

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 1, line 3, after "sections" insert "15-39.1-28"

Page 1, line 4, replace "15.1-27-04" with "15.1-27-03.2"

Page 1, line 5, after the fourth comma insert "40-55-08,"

Page 1, line 8, after "sections" insert "15.1-27-04,"

Page 1, after line 14, insert:

"SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

Page 7, line 30, after "hundred" insert "twenty-five"

Page 8, line 27, overstrike "0.004" and insert immediately thereafter "0.002"

Page 10, line 5, after "hundred" insert "twenty-five"

Page 11, line 3, overstrike "0.004" and insert immediately thereafter "0.002"

Page 11, replace lines 9 through 19 with:

"SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;

Passed

- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i-s.~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j-t.~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k-u.~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l-v.~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m-w.~~ 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n-x.~~ 1.12 if the students in average daily membership number at least 300 but fewer than 305;

- ~~o~~-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
 - ~~p~~-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
 - ~~q~~-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
 - ~~r~~-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
 - ~~s~~-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - ~~t~~-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - ~~u~~-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - ~~v~~-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - ~~w~~-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - ~~x~~-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - ~~y~~-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - ~~z~~-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership."

Page 11, line 26, replace "section 15.1-27-04" with "eight thousand eight hundred ten during the first year of the biennium and nine thousand ninety-two during the second year of the biennium"

Page 12, line 1, remove "in excess of two million dollars."

Page 13, line 5, replace "**payment**" with "**funding**"

Page 13, remove lines 6 through 30

Page 14, replace lines 1 through 12 with:

- "1. The superintendent of public instruction shall calculate each school district's baseline funding per weighted student unit by:

 - a. Determining the state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
 - b. Adding to the determination under subdivision a:

 - (1) The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - (2) An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - (3) An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - (4) An amount equal to that raised by the district's 2012 alternative education program levy; and
 - (5) An amount equal to seventy-five percent of the revenue received by the district during the 2012-13 school year from the sources listed in paragraphs 1 through 8 of subdivision c of subsection 1 of section 15.1-27-04.1; and
 - c. Dividing the sum by the district's weighted student units.
2. For the 2013-14 school year, the superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, as determined in accordance with section 15.1-27-04.1, is:

 - a. No less than 102 percent of the baseline funding per weighted student unit established under this section or 100 percent of the district's total baseline funding, whichever is greater; and
 - b. No more than 110 percent of the baseline funding per weighted student unit established under this section.
3. For the 2014-15 school year, the superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, as determined in accordance with section 15.1-27-04.1, is:

 - a. No less than 104 percent of the baseline funding per weighted student unit established under this section or 100 percent of the district's total baseline funding, whichever is greater; and

- b. No more than 120 percent of the baseline funding per weighted student unit established under this section."

Page 20, line 9, replace "state" with "county"

Page 20, line 9, remove "ten percent, or"

Page 20, line 10, replace "any larger" with "the dollar amount or"

Page 20, line 10, replace the first "of" with "from"

Page 20, line 12, after the underscored period insert "The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer."

Page 20, after line 19, insert:

"SECTION 21. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~provide for the establishment, maintenance, and conduct of a public recreation system ~~pursuant to subdivision c of subsection 1 of~~using the proceeds of levies, as permitted by section 57-15-14.2."

Page 35, line 19, after "Sections" insert "15.1-27-04,"

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 1, line 1 remove "15.1-27-04.3,"

Page 11, overstrike lines 22 through 30

Page 12, replace lines 1 through 24 with:

Passed

"15.1-27-04.1. Baseline funding - Establishment - Determination of state**aid.**

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
 - f. An amount equal to seventy-five percent of all:
 - (1) Mineral revenue received by the school district and 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) Tuition revenue received by the school district and 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;
 - (3) Revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (4) Revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;

- (5) Revenue received by the school district from mobile home taxes;
 - (6) Revenue received by the school district 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);
 - (7) Telecommunications tax revenue received by the school district; and
 - (8) Revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
- 2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
- 3.
 - a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
 - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.

4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 8 of subdivision f of subsection 1.
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."

Page 13, remove lines 3 through 30

Page 14, remove lines 1 through 12

Renumber accordingly

13.0278.02011
Title.

Prepared by the Legislative Council staff for
Representative Hunsdor
February 12, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 16, line 26, after "2:" insert "1."

Page 16, line 28, replace "twenty-seven" with "thirty-one"

Page 16, line 29, overstrike "five hundred"

Page 16, after line 29, insert:

"2. Beginning with the 2015-16 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least thirty-two thousand dollars."

Renumber accordingly

Failed

January 20

SUMMARY OF SCHOOL DISTRICT TAXING AUTHORITY

Current Levy - Section	Purpose	Treatment in HB 1319
2-06-07	Municipal or regional airport authority	Maintained as a separate levy
4-33-11	Pest control	Maintained as a separate levy
15.1-09-49	Fargo building fund	Maintained as a separate levy
21-03-15	Bond sinking and interest	Maintained as a separate levy
32-12.1-14	Interest and principal payments on bonds issued to pay compromise of judgment for injury claim	Maintained as a separate levy
47-17.2-21	Tax for railroad purposes	Maintained as a separate levy
57-15-14.2(1)(a)	Board and lodging for high school students	Consolidated
57-15-14.2(1)(b)	Teachers' fund for retirement	Consolidated
57-15-14.2(1)(c)	Tuition for students in grades seven through twelve	Maintained as a separate levy
57-15-14.2(1)(d)	Special education	Consolidated
57-15-14.2(1)(e)	Establishment and maintenance of an insurance reserve fund	Consolidated
57-15-14.2(1)(f)	Final judgment	Consolidated
57-15-14.2(1)(g)	Contribution to the old-age survivors' fund and matching contribution for the social security fund	Consolidated
57-15-14.2(1)(h)	Rental or leasing of buildings, property, or classroom space	Consolidated
57-15-14.2(1)(i)	Unemployment compensation benefits	Consolidated
57-15-14.2(1)(j)	Asbestos removal or abatement and Americans with Disabilities Act and fire code remodeling	Consolidated
57-15-14.2(1)(k)	Cooperative career and technical education program participation	Consolidated
57-15-14.2(1)(l)	Maintenance of a cooperative career and technical education program	Consolidated
57-15-14.2(1)(m)	Purchasing, contracting, operating, and maintaining schoolbuses	Consolidated
57-15-14.2(1)(n)	Establishing and maintaining school library services	Consolidated
57-15-14.2(1)(o)	Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment	Consolidated
57-15-14.2(1)(p)	Establishing free public kindergartens	Consolidated
57-15-14.2(1)(q)	Establishing, maintaining, and conducting a public recreation system	Consolidated
57-15-14.2(1)(r)	District's share to finance an interdistrict cooperative agreement	Consolidated
57-15-14.5	Long-distance learning and educational technology levy	Consolidated
57-15-16	Building fund	Maintained as a separate levy
57-15-17.1	Abatement or removal of mercury and other hazardous substances	Consolidated
	Americans with Disabilities Act remodeling	
	State Fire Marshal required remodeling	
	Alternative education programs	
	HVAC repair, modification, or replacement	
57-15-19.01	Special reserve fund	Maintained as a separate levy

2-18-13

Property Tax Savings Comparison
Current 75 MLRG Program v. HB 1319

Property Type	True and Full Value	Total Tax Liability (city, county, school) at statewide average of 387 mills before the 75 mill MLRG buydown	Property Tax Savings under Current 75 MLRG Program	Additional Property Tax Savings under HB 1319	Total Property Tax Savings under HB 1319	% of Prop tax savings
Home	\$ 180,000	\$ 3,135	\$ 608	\$ 486	\$ 1,094	35%
	\$ 250,000	\$ 4,354	\$ 844	\$ 675	\$ 1,519	35%
	\$ 400,000	\$ 6,966	\$ 1,350	\$ 1,080	\$ 2,430	29%
Commercial Business	\$ 500,000	\$ 9,675	\$ 1,875	\$ 1,500	\$ 3,375	29%
	\$ 700,000	\$ 13,545	\$ 2,625	\$ 2,100	\$ 4,725	35%
	\$ 1,000,000	\$ 19,350	\$ 3,750	\$ 3,000	\$ 6,750	35%
Farm/Ranch	Avg 1,300 Acres					
	Cropland	15,207	\$ 2,947	\$ 2,358	\$ 5,305	35%
	Non-cropland	3,067	\$ 595	\$ 475	\$ 1,070	35%
	Total	18,274	\$ 3,541	\$ 2,834	\$ 6,375	35%

HB 1319 K-12 Funding Formula
House Education
Sections with Fiscal Impact
13.0278.02009

Action	Section	Addtl wsu	Biennium Total	Description	Comment
Subcommittee recommendation	11		(9,000,000)	Mineral revenue exclusion removed	Not in Exec Recommendation estimates
5/10 5/9 HB 1319 as introduced	11		9,000,000	Mineral revenue exclusion added	Not in Exec Recommendation estimates
HB 1319 as introduced	11		(2,900,000)	Other in-lieu taxes	Not in Exec Recommendation estimates
HB 1319 as introduced	9	612	5,600,000	Increase special education factor	Not in Exec Recommendation estimates
Subcommittee recommendation	13		4,800,000	Baseline change	Not in Exec Recommendation estimates
2.3.10.10 Subcommittee recommendation	9	(405)	(3,700,000)	REA Factor	Not in Exec Recommendation estimates
Subcommittee recommendation	9	125	1,300,000	Isolated factor	Not in Exec Recommendation estimates
Subcommittee recommendation	10	850	7,750,000	Revised factors	Not in Exec Recommendation estimates
Budget reconciliation			4,000,000	Planned budget variance	Adjustments based on updated data
		1,183	16,850,000	Estimated unfunded expenditures	
HB 1013 - Integrated Formula Payments			1,787,400,000	Executive Recommendation	
Projected Expenditures			1,804,250,000		

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1319

Page 1, line 6, remove "and"

Page 1, line 7, after "57-19-09" insert ", and 57-20-07.1"

Page 1, line 11, after "program" insert "; to provide an appropriation"

Page 16, line 22, replace "fifty" with "seventy"

Page 17, line 4, replace "fifty" with "seventy"

Page 28, line 26, replace "thirty-five" with "fifteen"

Page 28, line 30, replace "sixty" with "forty"

Page 29, line 6, replace "sixty" with "eighty"

Page 31, line 24, replace "sixty" with "eighty"

Page 38, remove lines 21 through 31

Page 39, replace lines 1 through 3 with:

"SECTION 32. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and

- b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
- 5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 33. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF
EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 34. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1319

Page 1, line 1, after "enact" insert "a new section to chapter 15.1-21 and"

Page 1, line 2, after the first "to" insert "student competency and the"

Page 6, after line 29, insert:

"SECTION 8. A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

Student competency - Remedial courses - Payment of tuition.

Beginning July 1, 2013, if a school district determines that a student has met the requirements for a high school diploma under section 15.1-21-02.1, and if that student, upon applying for admission to an accredited institution of higher education in this state is required to enroll in any remedial courses, the tuition charges for the remedial courses must be billed to and paid by the school district that issued the diploma."

Renumber accordingly

#1

Testimony on HB 1319

Rep. David Monson

Mr. Chairman and members of the Senate Education Committee, I am Rep. David Monson from District 10. I'm here to help introduce this education funding bill and lend my support to it. I am honored to help sponsor this K-12 funding bill. There's a lot of material to digest in a short time. Although I spent most of my adult life as a school teacher/administrator and served with the governor for a number of years on the Governor's Commission on School Improvement, I'm still going to rely on others on our team to answer a lot of the questions and explain the inner workings of this bill section by section. Hopefully, when we have finished you'll have a better understanding of what it does and does not do.

Let me start by saying that this is an education funding formula bill. It does not contain any money in it other than a direct appropriation for \$100,000 in Section 34 to fund a study mandated in Section 33. There is no transportation money or Federal money in this bill. Those are found in HB 1013, the DPI budget bill. There are no supplemental funding fixes or rapid enrollment numbers in this bill. Rapid enrollment will be addressed in another bill that you will have at some time in this committee. I also want to stress that this bill is not a property tax relief bill per se, nor is it intended to be a comprehensive solution to the entire property tax issue. It addresses the property tax associated with levies by local school districts to fund their share of educating their students. That is not to say that if this bill is adopted as the new funding formula for K-12 education that property taxes would not be affected. If this is the new funding model, property taxes will be reduced in most of the school districts across the state. Since schools are usually the entity that levies the largest number of mills of property tax, it would only make sense that the property owners in most school districts of the state will see some nice reductions in their property tax bills going forward. The amount will vary from district to district, however.

I want to give you a little history of K-12 funding. Since the Constitution of the United States makes no mention of education anywhere in its text, the duty to fund and provide an adequate education as equitably as possible falls upon the

state. I want to stress that equitable does not mean equal but rather is perhaps better defined as fair. The state of ND has provided a means for local school districts to raise some of their needed funds through local property taxes since the beginning of statehood. When the state was experiencing more lean times financially, the local property tax payers were asked to shoulder a bigger portion of the cost of educating our students. When some districts claimed the state was not living up to its Constitutional duty, they sued the state to provide a more equitable and adequate education funding formula with more coming from the state. A concerted effort was made to find a better formula with the state picking up a larger portion of the cost of educating our children. Of late, the state has been in the fortunate position to be able to pay a greater portion of the cost of education with general fund tax revenue. This has meant less dependency on local property taxes. The cost of educating a child has increased a little since the last major funding change was made in 2007, but the shift of who pays the cost has been moving to the state away from the property tax payer. I want to stress that we've been able to hit the target of 70% of the cost of education paid by the state in the last couple years, and this bill would move it a bit further. I also want to stress that this bill does not address or pay for any building funds, pay off bonded indebtedness, affect special levies for streets and infrastructure levied by a city, nor does it include any transportation money. This funds the core or basic educational needs with a level of \$8,810 the first year and \$9,092 the 2nd year.

In summary I want to show you how some streamlining was done in this bill. Nineteen separate mill levies that total up to 12 mills are consolidated into one levy in this bill. This is done throughout the bill, but spelled out in Sec. 24 and seen on my handout. I also want to express the need for an amendment we found necessary to make a fix in Section 12. We think we have that solved and I'll get you an amendment as soon as I get it. If you have any general questions I'd be happy to answer them, but I also want to keep everyone on schedule. I can come back later if you need me. Otherwise, your chairman or other sponsors on your committee can probably answer a number of your questions, as well as I can.

SUMMARY OF SCHOOL DISTRICT TAXING AUTHORITY

Current Levy - Section	Purpose	Treatment in HB 1319
2-06-07	Municipal or regional airport authority	Maintained as a separate levy
4-33-11	Pest control	Maintained as a separate levy
15.1-09-49	Fargo building fund	Maintained as a separate levy
21-03-15	Bond sinking and interest	Maintained as a separate levy
32-12.1-14	Interest and principal payments on bonds issued to pay compromise of judgment for injury claim	Maintained as a separate levy
47-17.2-21	Tax for railroad purposes	Maintained as a separate levy
57-15-14.2(1)(a)	Board and lodging for high school students	Consolidated
57-15-14.2(1)(b)	Teachers' fund for retirement	Consolidated
57-15-14.2(1)(c)	Tuition for students in grades seven through twelve	Maintained as a separate levy
57-15-14.2(1)(d)	Special education	Consolidated
57-15-14.2(1)(e)	Establishment and maintenance of an insurance reserve fund	Consolidated
57-15-14.2(1)(f)	Final judgment	Consolidated
57-15-14.2(1)(g)	Contribution to the old-age survivors' fund and matching contribution for the social security fund	Consolidated
57-15-14.2(1)(h)	Rental or leasing of buildings, property, or classroom space	Consolidated
57-15-14.2(1)(i)	Unemployment compensation benefits	Consolidated
57-15-14.2(1)(j)	Asbestos removal or abatement and Americans with Disabilities Act and fire code remodeling	Consolidated
57-15-14.2(1)(k)	Cooperative career and technical education program participation	Consolidated
57-15-14.2(1)(l)	Maintenance of a cooperative career and technical education program	Consolidated
57-15-14.2(1)(m)	Purchasing, contracting, operating, and maintaining schoolbuses	Consolidated
57-15-14.2(1)(n)	Establishing and maintaining school library services	Consolidated
57-15-14.2(1)(o)	Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment	Consolidated
57-15-14.2(1)(p)	Establishing free public kindergartens	Consolidated
57-15-14.2(1)(q)	Establishing, maintaining, and conducting a public recreation system	Consolidated
57-15-14.2(1)(r)	District's share to finance an interdistrict cooperative agreement	Consolidated
57-15-14.5	Long-distance learning and educational technology levy	Consolidated
57-15-16	Building fund	Maintained as a separate levy
57-15-17.1	Abatement or removal of mercury and other hazardous substances Americans with Disabilities Act remodeling State Fire Marshal required remodeling Alternative education programs HVAC repair, modification, or replacement	Consolidated
57-15-19.01	Special reserve fund	Maintained as a separate levy

House Bill 1319 Summary

Sections 1: Levy Consolidation

- The special levy authority for TFFR is consolidated into the new 12 mill levy for miscellaneous expenses.

Sections 2, 3 & 4: School Board Authority

- Clarifies that school board authority to levy mills is in accordance with Chapter 57-15.

Section 5 & 6: Fargo School Board Authority

- The Fargo school board may levy taxes within the requirements of title 15.1 and title 57.

Section 7: Fargo School Board Authority

- The Fargo school board may levy up to 15 mills for building, enlarging and repairing of schools.

Section 8: Special Levy for Kindergarten

- A half-day Kindergarten program, at a minimum, must be offered by every school district. The right to levy a special tax for kindergarten is discontinued.

Section 9: Weighting Factors

- House amendments return the special education weighing factor to its current level of .079.
- House amendments change the threshold for eligibility for the .10 factor for small and isolated schools from 100 students to 125 students.
- House amendments reduces the PowerSchool factor from .006. to .003.
- House amendments reduces the REA factor from .004 to .002.

Section 10: School District Size Weighting Factor

- House amendments expand the size weighting for school districts that have less than 185 students down to a floor of 125 students.

Section 11: Baseline Funding- Determination of State Aid

- The superintendent of public instruction determines each school district's baseline funding per weighted student unit for the purpose of determining minimum and maximum state aid payments. The baseline is the sum of all state and local dollars in 2012-2013 that are available to the school district from state aid, district levies and 75% of all outside income as shown on pages 14 and 15.
- The superintendent shall ensure that the district's state school aid per weighted student unit is at least equal to 102% of the total baseline funding per weighted student unit in year one, and at least equal to 104% in year two.
- The superintendent shall also ensure that the district's state school aid in dollars for year one and year two is at least equal to 100% of the districts baseline funding for the 2012-2013 year in dollars.
- The maximum state aid payable to a district per weighted student unit in year one may not exceed 110 percent of the total baseline funding per weighted student unit.
- The maximum state aid payable to a district per weighted student unit in year two may not exceed 120 percent of the total baseline funding per weighted student unit.
- The per student payment rate is \$8,810 for the first year of the biennium and \$9,092 for the second year of the biennium. The total formula entitlement to which each district is entitled is determined by multiplying each district's weighted student units by the per student payment rate.
- State aid is determined by the following steps:
 - 1) Multiply the number of weighted student units by the per student payment rate for that year to determine the total formula entitlement for the school district;
 - 2) Adjustments for minimum and maximum funding are applied.
 - 3) Subtract from this total formula entitlement an amount equal to seventy mills times the taxable valuation of the school district; and
 - 4) Subtract from this result an amount equal to 75% of all outside income received by the school district from mineral income, tuition revenue, payments in lieu of taxes on electric power, revenue from mobile home taxes, revenue from federal land leases, telecommunications tax revenue, all other payments in lieu of taxes, and income from the state homestead tax credit program.

Section 12: Determining the Minimum Local Tax Contribution

- In the event the local school district's taxable valuation is lower than 40% of the statewide average taxable valuation per student, the formula will use an amount equal to 70 mills times the state average valuation per weighted student unit times the weighted student units in the district.

Section 13: Reorganization of School Districts

- Section language no longer needed for reorganized schools prior to 2007.

Section 14: Average Daily Membership (ADM) Calculation

- Removes outdated language that refers to 2009-2012 requirements in reference to calculating the ADM and required school days.

Section 15: Minimum Teacher Salary

- Increases the minimum teacher salary from \$22,500 to \$27,500.

#3

TESTIMONY IN SUPPORT OF 2013 REENGROSSED HB 1319
JOE MORRISSETTE
OFFICE OF MANAGEMENT AND BUDGET

Good morning Chairmen Flakoll and Cook and members of the Senate Education and Finance and Taxation Committees. I am Joe Morrisette from the Office of Management and Budget and I am here to explain portions of Reengrossed HB1319, beginning on page 19:

Section 16 – Property tax relief fund – This section changes the name of the property tax relief sustainability fund to the property tax relief fund and provides authority for OMB to certify to DPI the amount available for distribution each month as part of the integrated school aid formula payments. As originally introduced, the DPI budget included an appropriation directly from the property tax relief fund. As amended by the House, moneys in the property tax relief fund are transferred to the general fund rather than appropriated to DPI. Consequently, as the DPI budget was amended by the House, the language in subsection 2 is not needed.

Section 17 – Tuition levy – This section removes a cross reference to statutory language that is removed in section 24 of the bill. Districts can continue to levy the amount required to make tuition payments to another district.

Section 18 – Meals and lodging levy – This section removes authority for a special levy that is replaced with the 12 mills for miscellaneous purposes authorized in section 24 of the bill.

Section 19 – School construction loan program expansion – The school construction loan program is expanded to include \$200 million from the strategic investment and improvements fund, in addition to the \$50 million from the coal development trust fund authorized under current law. Loans would be available to all districts, with the state's poorest districts qualifying for the largest loans, highest percentage of state participation, and lowest interest rate, as follows:

- Districts < 80% of state average taxable valuation per student can receive loans up to the lesser of \$20 million or 90% of project costs, at a rate discounted up to 400 basis points below the tax-free bond rate.
- Districts between 80% and 90% of the state average taxable valuation per student can receive loans up to the lesser of \$15 million or 80% of project costs, at a rate discounted up to 350 basis points below the tax-free bond rate.
- Districts at 90% or more of the state average taxable valuation per student can receive loans up to the lesser of \$10 million or 70% of project costs, at a rate discounted up to 300 basis points below the tax-free bond rate.

For districts that receive allocations of oil and gas gross production taxes, a special provision is added to allow repayment to be made from future tax allocations, thereby excluding the construction loan amount from the general obligation debt of the district.

Sections 20 and 21 – School district levies for public recreation systems – These sections remove authority for a special levy that is replaced with the 12 mills for miscellaneous purposes authorized in section 24 of the bill.

Section 22 – Levy limitations – This section is amended to remove references to the mill levy reduction grant program, which under this bill is suspended for the 2013-15 biennium and replaced with property tax relief delivered through the integrated school aid formula.

Section 23 – Voter approval of excess levies – This section reduces the 185 mill cap on school district general fund mill levy authority by 115 mills, but allows districts authority to levy an additional 10 mills (up to a total of 80 mills), for general education purposes. *(As introduced, the bill reduced general fund levies by 135 mills, providing an additional 20 mills, or \$120 million, in property tax relief.)*

Section 24 – Levy authority – This section:

- Removes various specific levy authorities and replaces them with 12 mills for miscellaneous expenses.
- Retains board authority to increase the amount levied in dollars for general education purposes by up to 12 percent per year.
- Retains board authority for a special reserve fund levy of up to 3 mills.
- Retains board authority to levy for a building fund and to pay principal and interest on bonded debt.

Section 25 – Educational technology levy - This section removes authority for a special levy that is replaced with the 12 mills for miscellaneous purposes authorized in section 24 of the bill. Any balance in the long-distance learning and educational technology fund is to be transferred to the school district general fund on July 1, 2013.

Section 26 – Building fund – This section clarifies statutory language relating to the use of moneys in the school district building fund and removes the provision allowing those moneys to be used for the payment of insurance premiums.

Section 27 – Discontinuance of special funds – This section eliminates numerous special funds that related to special purpose levies for which the authority is repealed in section 24. Any balance in the mercury or hazardous substance abatement fund is to be transferred to the school district building fund or general fund on July 1, 2013.

Section 28 – Determination of levy – This section is amended to remove references to the mill levy reduction grant program, which under this bill is suspended for the 2013-15 biennium and replaced with property tax relief delivered through the integrated school aid formula.

Section 29 – Special reserve fund balance – This section clarifies statutory language relating to the maximum balance of a special reserve fund, but provides no substantive change.

Section 30 – Special reserve fund transfers to general fund - This section clarifies statutory language relating to the annual transfer of interest and income from the special reserve fund to the general fund. It also provides that any excess balance be transferred to the school district general fund on July 1, 2013.

Section 31 – Special reserve fund authority – This section removes the requirement for voter approval to discontinue a special reserve fund and the related levy.

Section 32 - Contents of real estate tax statement – This section, added by the House, requires county property tax statements to reflect the “amount in dollars by which the owner’s tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.” As worded, it does not appear that this section would apply to property tax relief delivered through the integrated school aid formula.

Section 33 – Legislative study – This section provides for a legislative study of state and local responsibility for the equitable and adequate funding of elementary and secondary education.

Section 34 – Appropriation – This section provides a general fund appropriation of \$100,000 to contract with consultants to assist in completing the legislative study.

Sections 35-39 – Suspension, Repeal, Expiration Date, and Effective Date – These sections provide a sunset for the integrated formula, school construction loan, and mill levy limitations provided in this bill. The expiration date shown on line 26 should refer to June 30, 2015. Legislative Council staff is aware of this typographical error.

Attached to this testimony is a schedule showing the 2011-13 adjusted appropriation for state school aid, the 2013-15 recommendation, and the 2013-15 House version.

2013-15 STATE SCHOOL AID RECOMMENDATION AND HOUSE VERSION

	2011-13 Adjusted Appropriation	2013-15 Recommendation	2013-15 House Version	House Change from Executive Recommendation
School Aid/Mill Levy Reduction Grant Program				
Appropriation				
State school aid	927,459,478	0	0	0
Mill levy reduction grants	341,790,000	0	0	0
Integrated formula payment	0	1,787,400,000	1,684,550,000	(102,850,000)
Total school aid/Mill levy reduction grants	1,269,249,478	1,787,400,000	1,684,550,000	(102,850,000)
Funding				
General fund	825,821,478	932,900,162	1,202,434,000	269,533,838
General fund (transferred from property tax fund)	341,790,000	0	341,790,000	341,790,000
Tuition fund	101,638,000	140,326,000	140,326,000	0
Property tax relief fund	0	714,173,838		(714,173,838)
Total	1,269,249,478	1,787,400,000	1,684,550,000	(102,850,000)

#4

**Testimony for HB 1319 – K-12 education funding formula
March 12, 2013 @ 9:30 AM in "Brynhild Haugland Room"**

Chairman Flakoll, members of the Senate Education Committee, for the record my name is Richard Marcellais, Senator from District 9, Rolette County.

HB 1319 currently will have an impact not only on our Native American students, Native American School Districts, but also a devastating effect on our Native American Nation communities

Out of our Native American student population 75% qualify for reduced meals – that means that our Native American students come from families with income below the poverty level.

Our Native American School Districts also serve many at risk students with numerous social and economic problems which are a direct result of low income.

We understand the current HB 1319 has a large decrease in the Native American School Districts. Our North Dakota Native American Nations have the highest unemployment in the state

Mr. Chairman and members Senate Education Committee, with the assistance of the Department of Instruction and Native American School Districts, I will be introducing amendments to HB 1319 that will modify the North Dakota education funding formula for state aid payments to many of our North Dakota Native American School Districts and recommend that a Legislative Management study be conducted for the next biennium so that this will not happen in the future for our students.

That concludes my testimony in support of HB 1319. I will try an answer any questions. Thank You

#5

TESTIMONY ON HB 1319

By

**Farrell F. Gourneau, Acting Superintendent Belcourt School District #7, Human Resource Director,
Teacher, Community Member, Parent, and Grandparent**

Chairman Flakoll and members of the Senate Education Committee, Senate Finance Committee and Senate Taxation Committee for the record my name is Farrell Gourneau, and I am the Acting Superintendent of the Belcourt School District # 7. I am here to testify on HB1319, a bill designed to provide a funding formula that integrates property tax relief and equity into the state funding of North Dakota's K-12 public schools.

I believe this bill, in the form passed by the House, does not provide equity to our school district and will result in a decrease in state aid to our students. I also believe this reduction has to be an unintended consequence of the state government's good intentions.

Today, I ask the Senate Education Committee, Senate Finance Committee, and Senate Taxation Committee to support the passage of HB 1319 with amendment(s) to increase our per pupil state aid for 2013-2014 and 2014-2015 under the state aid funding formula that provides fairness for our school district -- which has little ability to impose local taxes.

Finally, the Belcourt School District is ready to assist the Senate Committees as you consider this bill in developing an amendment that will be a benefit to our school district in our great state.

Chairman Flokoll, this concludes my testimony. I will be happy to answer any questions that you may have.

Testimony of Bill Shalhoob
Greater North Dakota Chamber of Commerce
HB 1319
March 12, 2013

Mr. Chairman and members of the committee, My name is Bill Shalhoob and I am here today representing the Greater North Dakota Chamber of Commerce, the champions for business in North Dakota. GNDC is working to build the strongest business environment possible through its more than 1,100 business members as well as partnerships and coalitions with local chambers of commerce from across the state. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we stand in support of HB 1319 and urge a do pass from your committee on the bill.

GNDC has been among the principle advocates for tax reductions in past sessions and that role continues in this session. The Chamber was the primary association that led the charge in defeating Measure 2 in the last primary election. That measure would have abolished property taxes in North Dakota. We believe we understand the property tax issues in our state and were part of numerous debates and conversations surrounding this topic. We heard from owners of all classes of property and relied on our members and other interested parties to defeat the measure. In seeking any reduction in property taxes our goal is that any relief given will be measured, fairly distributed among all classes of taxpayers and above all else sustainable for the long term.

HB 1319 is the major component for property tax relief going forward. It provides unprecedented state funding for K-12 education in North Dakota. We are comfortable with the level of state funding and also feel that it is important that local school boards and taxpayers will continue to have a significant role in the funding of their schools. We also like the fact that HB 1319 replaces the Mill Levy Reduction Program that has been in place since 2009. We have had concerns about its sustainability for some time and eliminating the automatic inflator that occurs when taxable value increases as it has recently will provide certainty for the state and local school boards.

As significant as the funding in this bill is we believe on its own it is not sufficient to provide adequate property tax relief. Another key element is in HB 1198 which you heard yesterday and other bills such as the additional Homestead Tax Credits passed in the Senate should be considered. We feel HB 1319 adequately addresses the school funding portion of the property tax discussion. We encourage you to include HB 1319 in the property tax conversation and continue to work towards more transparency at the local level so our property owners truly know where their money is going.

Thank you for the opportunity to appear before you today in support of HB 1319. I would be happy to answer any questions.



**Testimony of the
North Dakota Education Association
President Dakota Draper**

March 12, 2013

Mr. Chairman and members of the Committee:

My name is Dakota Draper. I am the President of the North Dakota Education Association (NDEA). I am here to support HB 1319.

The NDEA continues to be focused on improving the political climate and economic conditions for public education. In order to ensure quality public education for students, adequate and equitable funding for public schools needs to be provided. We have long advocated for 70% of this funding to come from the state, and due to the hard work of the Governor and the North Dakota Legislature, we have achieved this goal.

NDEA believes that HB 1319 continues our funding goals for public education. It treats all school districts fairly, regardless of their location or wealth. It increases the per pupil payment substantially. Finally, it lowers taxes for property owners. From our perspective, it's a win-win for students and taxpayers.

We applaud the sponsors of this bill for their work on teacher salaries. Just a few short years ago, our state was ranked 50th in the nation for teachers' pay. As a result of this state's dedication to recruiting and retaining quality educators, we are now ranked at 45th. But, we do still have a ways to go.

In Section 15 of HB 1319, you will see that the minimum beginning salary has been amended from \$22,500 (a minimum that was set 10 years ago) to \$27,500. Although this is an increase of \$5,000, its impact is minimal. According to the negotiated agreements of North Dakota teachers for the 2013-14 school year, the average base salary in this state is about \$32,000. The current proposal to increase minimum beginning salary will impact 9 school districts and 100 teachers. I have attached a copy of these salaries to my testimony for your information.

There has been a great deal of debate and concern about equitable funding for education in North Dakota. Currently beginning salaries in North Dakota range from \$25,450 to \$43,183—a range of \$17,733. While many beginning teachers make above the \$32,000 average, North Dakota still has a significant amount of teachers that fall below this number and struggle to get by.

NDEA recently commissioned a poll to gauge public attitudes on education issues and teacher pay. Although NDEA is advocating for an increase that reflects the state average, nearly 7 in 10 North Dakotans believe that this salary is too low. For them, a starting salary of \$36,000 per year sounds either right (57%) or should be even higher (11%). Support for a \$36,000 starting salary is widespread and bipartisan: 6 out of 10 self-described Republicans almost 8 out of 10 self-described Democrats support this amount.

If the Legislature's intent is to provide a meaningful floor for teacher salary in North Dakota that would attract high quality teachers to the profession, we would ask the committee to consider increasing the amended amount in Section 15 in order to reflect the state's current minimum beginning salary average of \$32,000. This increase would cost the state approximately \$4.7 million dollars. This amount pales in comparison to the 70% of new money for teacher compensation that was mandated in past legislative sessions.

Although we know that today is just the beginning of the work to be done on education funding by the Senate, NDEA believes that this budget is a step in the right direction. We are dedicated to working together with all stakeholders to make sure that every student in every district has great teachers.

Thank you Mr. Chairman and members of the committee for the opportunity to speak to you today. I am available to answer any questions you may have.

2012-2013 Fall Enrollments*	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase		FTEs 2012-2013*	Difference to \$32,000	Cost to District	Including SS, FICA, TFFR (Model 1)
				110	\$ Inc	% Inc				
407	Larimore	\$30,250	\$30,750	73	\$500	1.65%	38.3	\$1,250	\$47,875	\$56,684
176	Lidgerwood	\$29,000	\$30,850	72	\$1,850	6.38%	18.7	\$1,150	\$21,505	\$25,462
303	Linton	\$28,500	\$31,000	69	\$2,500	8.77%	27.5	\$1,000	\$27,500	\$32,560
110	Litchville-Marion	\$28,800	\$30,350	79	\$1,550	5.38%	17.8	\$1,650	\$29,370	\$34,774
29	Lone Tree (Golva)	\$25,500	\$26,250	108	\$750	2.94%	4.2	\$5,750	\$24,150	\$28,594
212	Mandaree	\$28,601	\$28,601	96	\$0	0.00%	26	\$3,399	\$88,374	\$104,635
86	Mapleton	\$29,500	\$29,500	89	\$0	0.00%	9.8	\$2,500	\$24,500	\$29,008
499	May-Port CG	\$30,000	\$30,500	77	\$500	1.67%	41.2	\$1,500	\$61,800	\$73,171
78	McClusky	\$28,500	\$29,500	89	\$1,000	3.51%	15.6	\$2,500	\$39,000	\$46,176
157	Medina	\$30,250	\$31,500	61	\$1,250	4.13%	17.8	\$500	\$8,900	\$10,538
26	Menoken	\$27,300	\$27,300	102	\$0	0.00%	3.9	\$4,700	\$18,330	\$21,703
136	Midkota	\$30,550	\$31,825	56	\$1,275	4.17%	18.9	\$175	\$3,308	\$3,916
205	Midway (Inkster)	\$29,700	\$30,300	80	\$600	2.02%	25.2	\$1,700	\$42,840	\$50,723
206	Montefiore (Wilton)	\$31,000	\$31,000	69	\$0	0.00%	22	\$1,000	\$22,000	\$26,048
109	Montpelier	\$27,500	\$29,000	93	\$1,500	5.45%	14	\$3,000	\$42,000	\$49,728
239	Mott-Regent	\$29,350	\$30,000	85	\$650	2.21%	27	\$2,000	\$54,000	\$63,936
232	Mt Pleasant (Rolla)	\$31,000	\$31,500	61	\$500	1.61%	24.8	\$500	\$12,400	\$14,682
340	New Rockford-Sheyenne	\$29,000	\$29,000	93	\$0	0.00%	30.9	\$3,000	\$92,700	\$109,757
333	New Salem-Almont	\$29,900	\$31,100	67	\$1,200	4.01%	28.6	\$900	\$25,740	\$30,476
62	Newburg United	\$27,300	\$29,200	90	\$1,900	6.96%	12.8	\$2,800	\$35,840	\$42,435
380	North Border (Walhalla)	\$27,000	\$31,500	61	\$4,500	16.67%	51.7	\$500	\$25,850	\$30,606
220	North Sargent (Gwinner)	\$30,000	\$30,000	85	\$0	0.00%	21.3	\$2,000	\$42,600	\$50,438
xx	North Valley Area CTC (Grafton)	xx	\$30,025	84	xx	xx	xx	xx	xx	xx
248	Northwood	\$27,900	\$30,150	83	\$2,250	8.06%	21.9	\$1,850	\$40,515	\$47,970

2012-2013 Fall Enrollments*	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase		FTEs 2012-2013*	Difference to \$32,000	Cost to District	Including SS, FICA, TFFR (Model 1)
				110	\$ Inc	% Inc				
52	Oberon	\$30,000	\$30,000	85	\$0	0.00%	8	\$2,000	\$16,000	\$18,944
88	Page-Hope	\$30,700	\$31,700	58	\$1,000	3.26%	11.4	\$300	\$3,420	\$4,049
146	Pingree-Buchanan	\$28,325	\$29,175	91	\$850	3.00%	16.6	\$2,825	\$46,895	\$55,524
273	Richardton-Taylor	\$28,250	\$30,000	85	\$1,750	6.19%	28	\$2,000	\$56,000	\$66,304
264	Richland	\$25,450	\$25,450	110	\$0	0.00%	28.7	\$6,550	\$187,985	\$222,574
164	Rolette	\$27,750	\$30,500	77	\$2,750	9.91%	18	\$1,500	\$27,000	\$31,968
103	Roosevelt (Carson)	\$26,414	\$26,414	106	\$0	0.00%	11.2	\$5,586	\$62,563	\$74,075
xx	Rough Rider Area CTC (Dickinson)	\$30,000	\$30,000	85	\$0	0.00%	xx	xx	xx	xx
xx	Rural Cass Sp Ed (Mapleton)	\$30,650	\$31,225	65	\$575	1.88%	xx	xx	xx	xx
85	Saint Thomas	\$30,900	\$31,400	62	\$500	1.62%	12.1	\$600	\$7,260	\$8,596
211	Sargent Central (Forman)	\$30,250	\$31,000	69	\$750	2.48%	26	\$1,000	\$26,000	\$30,784
131	Sawyer	\$27,250	\$28,000	100	\$750	2.75%	18	\$4,000	\$72,000	\$85,248
132	Scranton	\$29,300	\$30,400	78	\$1,100	3.75%	17.3	\$1,600	\$27,680	\$32,773
78	Selfridge	\$29,800	\$30,000	85	\$200	0.67%	14.2	\$2,000	\$28,400	\$33,626
xx	Sheyenne Valley Sp Ed (Valley City)	\$31,280	\$31,880	54	\$600	1.92%	xx	xx	xx	xx
165	Solen	\$28,100	\$28,100	98	\$0	0.00%	31	\$3,900	\$120,900	\$143,146
239	South Heart	\$30,700	\$31,400	62	\$700	2.28%	24.5	\$600	\$14,700	\$17,405
199	South Prairie	\$30,500	\$30,500	77	\$0	0.00%	18.5	\$1,500	\$27,750	\$32,856
xx	South Valley SpEd (Hankinson)	\$30,000	\$30,000	85	\$0	0.00%	xx	xx	xx	xx
33	Sterling	\$27,120	\$31,069	68	\$3,949	14.56%	4.6	\$931	\$4,283	\$5,071
148	Strasburg	\$30,650	\$31,150	66	\$500	1.63%	18.2	\$850	\$15,470	\$18,316
430	Thompson	\$29,400	\$31,000	69	\$1,600	5.44%	32.5	\$1,000	\$32,500	\$38,480
177	Turtle Lake-Mercer	\$29,053	\$30,553	76	\$1,500	5.16%	23.5	\$1,447	\$34,005	\$40,261
40	Twin Buttes (Halliday)	\$29,000	\$30,000	85	\$1,000	3.45%	9.2	\$2,000	\$18,400	\$21,786

2012-2013 Fall Enrollments*	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase		FTEs 2012-2013*	Difference to \$32,000	Cost to District	Including SS, FICA, TFFR (Model 1)
				110	\$ Inc	% Inc				
135	Fessenden-Bowdon	\$29,750	\$30,250	81	\$500	1.68%	15.2	\$1,750	\$26,600	\$31,494
128	Finley-Sharon	\$30,000	\$30,000	85	\$0	0.00%	19.2	\$2,000	\$38,400	\$45,466
198	Flasher	\$27,500	\$28,050	99	\$550	2.00%	20.5	\$3,950	\$80,975	\$95,874
47	Fordville-Lankin	\$29,500	\$29,500	89	\$0	0.00%	10	\$2,500	\$25,000	\$29,600
141	Fort Totten	\$31,500	\$31,500	61	\$0	0.00%	25	\$500	\$12,500	\$14,800
178	Ft. Yates	\$29,500	\$30,000	85	\$500	1.69%	18.8	\$2,000	\$37,600	\$44,518
87	Gackle-Streeter	\$28,410	\$29,550	88	\$1,140	4.01%	15.7	\$2,450	\$38,465	\$45,543
374	Garrison	\$31,000	\$31,500	61	\$500	1.61%	35.8	\$500	\$17,900	\$21,194
151	Glen Ullin	\$29,600	\$31,600	59	\$2,000	6.76%	18	\$400	\$7,200	\$8,525
270	Glenburn	\$31,000	\$31,250	64	\$250	0.81%	28	\$750	\$21,000	\$24,864
28	Goodrich	\$27,000	\$27,000	103	\$0	0.00%	6.6	\$5,000	\$33,000	\$39,072
234	Griggs County Central	\$29,000	\$30,000	85	\$1,000	3.45%	25.5	\$2,000	\$51,000	\$60,384
xx	Griggs/Steele/Traill Sp Ed (Portland)	\$30,000	\$30,000	85	\$0	0.00%	xx	xx	xx	xx
44	Halliday	\$28,500	\$29,000	93	\$500	1.75%	7.5	\$3,000	\$22,500	\$26,640
407	Harvey	\$30,400	\$30,750	73	\$350	1.15%	37.7	\$1,250	\$47,125	\$55,796
171	Hatton	\$27,000	\$28,500	97	\$1,500	5.56%	20	\$3,500	\$70,000	\$82,880
89	Hazelton-Moffit-Braddock	\$28,750	\$29,500	89	\$750	2.61%	15.6	\$2,500	\$39,000	\$46,176
280	Hettinger	\$30,000	\$30,000	85	\$0	0.00%	29	\$2,000	\$58,000	\$68,672
93	Hope	\$30,700	\$31,700	57	\$1,000	3.26%	10.3	\$300	\$3,090	\$3,659
33	Kensal	\$26,500	\$26,900	104	\$400	1.51%	9.6	\$5,100	\$48,960	\$57,969
365	Kidder County (Steele)	\$28,500	\$29,500	89	\$1,000	3.51%	41.9	\$2,500	\$104,750	\$124,024
116	Kulm	\$30,165	\$30,165	82	\$0	0.00%	17.7	\$1,835	\$32,480	\$38,456
195	Lakota	\$29,750	\$30,400	78	\$650	2.18%	21.9	\$1,600	\$35,040	\$41,487
317	LaMoure	\$30,100	\$31,100	67	\$1,000	3.32%	24	\$900	\$21,600	\$25,574

Cost: 2012-2013 Base Salaries Under \$32,000 Ranked

Source: 2011-2013 Negotiated Agreements and DPI School Finance Facts 2013

2012-2013 Fall Enrollments*	District	BA Base 2011-2012	BA Base 2012-2013	Rank 110	Base Increase		FTEs 2012-2013*	Difference to \$32,000	Cost to District	Including SS, FICA, TFFR (Model 1)
					\$ Inc	% Inc				
27	Adams	\$30,200	\$30,700	74	\$500	1.66%	6.6	\$1,300	\$8,580	\$10,159
95	Anamoose	\$29,000	\$31,000	69	\$2,000	6.90%	10.2	\$1,000	\$10,200	\$12,077
128	Ashley	\$28,500	\$30,000	85	\$1,500	5.26%	18.1	\$2,000	\$36,200	\$42,861
227	Belfield	\$30,000	\$30,875	71	\$875	2.92%	23.1	\$1,125	\$25,988	\$30,769
67	Billings County (Medora)	\$30,000	\$31,500	61	\$1,500	5.00%	15.4	\$500	\$7,700	\$9,117
600	Bottineau	\$31,350	\$31,850	55	\$500	1.59%	58.7	\$150	\$8,805	\$10,425
xx	Burleigh Co Sp Ed (Bismarck)	\$25,800	\$26,550	105	\$750	2.91%	xx	xx	xx	xx
543	Carrington	\$30,475	\$30,875	71	\$400	1.31%	42.1	\$1,125	\$47,363	\$56,077
407	Cavalier	\$29,250	\$30,000	85	\$750	2.56%	35.4	\$2,000	\$70,800	\$83,827
200	Center-Stanton	\$29,700	\$29,700	86	\$0	0.00%	22.5	\$2,300	\$51,750	\$61,272
778	Central Cass	\$30,500	\$30,750	73	\$250	0.82%	57.3	\$1,250	\$71,625	\$84,804
231	Central Valley (Buxton)	\$30,300	\$30,900	70	\$600	1.98%	20.8	\$1,100	\$22,880	\$27,090
86	Drake	\$28,500	\$29,000	93	\$500	1.75%	9.7	\$3,000	\$29,100	\$34,454
142	Drayton	\$30,074	\$31,334	63	\$1,260	4.19%	21.3	\$666	\$14,186	\$16,796
426	Dunseith	\$29,500	\$31,000	69	\$1,500	5.08%	50	\$1,000	\$50,000	\$59,200
xx	East Central CEC (New Rockford)	\$30,250	\$30,600	75	\$350	1.16%	xx	xx	xx	xx
54	Edmore	\$30,200	\$30,700	74	\$500	1.66%	8.6	\$1,300	\$11,180	\$13,237
191	Eight Mile (Trenton)	\$28,700	\$28,700	94	\$0	0.00%	18.8	\$3,300	\$62,040	\$73,455
134	Elgin-New Leipzig	\$27,650	\$28,000	100	\$350	1.27%	17.8	\$4,000	\$71,200	\$84,301
76	Emerado	\$29,248	\$29,686	87	\$438	1.50%	12.4	\$2,314	\$28,694	\$33,973
xx	Emmons Co Sp Ed (Linton)	\$28,500	\$31,000	69	\$2,500	8.77%	xx	xx	xx	xx
306	Enderlin Area	\$30,400	\$31,000	69	\$600	1.97%	29.8	\$1,000	\$29,800	\$35,283

2012-2013 Fall Enrollments*	District	BA Base 2011-2012	BA Base 2012-2013	Rank	Base Increase		FTEs 2012-2013*	Difference to \$2,000	Cost to District	Including SS, FICA, TFFR (Model 1)
				110	\$ Inc	% Inc				
211	Underwood	\$27,130	\$27,630	101	\$500	1.84%	26.7	\$4,370	\$116,679	\$138,148
xx	Upper Valley Sp Ed (Grafton)	\$28,500	\$29,500	89	\$1,000	3.51%	xx	xx	xx	xx
217	Valley-Edinburg	\$30,450	\$31,550	60	\$1,100	3.61%	26.8	\$450	\$12,060	\$14,279
1,211	Wahpeton	\$30,000	\$30,000	85	\$0	0.00%	104.6	\$2,000	\$209,200	\$247,693
281	Washburn	\$30,000	\$31,500	61	\$1,500	5.00%	26.1	\$500	\$13,050	\$15,451
133	Westhope	\$27,600	\$28,100	98	\$500	1.81%	18.5	\$3,900	\$72,150	\$85,426
121	White Shield (Roseglen)	\$26,285	\$26,285	107	\$0	0.00%	23	\$5,715	\$131,445	\$155,631
2,842	Williston	\$30,000	\$31,500	61	\$1,500	5.00%	201.5	\$500	\$100,750	\$119,288
xx	Willmac Sp Ed (Williston)	\$30,000	\$31,500	61	\$1,500	5.00%	xx	xx	xx	xx
109	Wing	\$25,700	\$26,000	109	\$300	1.17%	15.7	\$6,000	\$94,200	\$111,533
198	Wishek	\$30,500	\$31,500	61	\$1,000	3.28%	18.8	\$500	\$9,400	\$11,130
40	Wolford	\$28,700	\$29,100	92	\$400	1.39%	9	\$2,900	\$26,100	\$30,902
79	Yellowstone (Fairview)	\$28,000	\$30,500	77	\$2,500	8.93%	8	\$1,500	\$12,000	\$14,208
51	Zeeland	\$27,340	\$28,640	95	\$1,300	4.75%	10.4	\$3,360	\$34,944	\$41,374
22,243	Column Averages/Totals	\$29,156	\$29,985		\$829	2.88%	2332.6	\$197,923	\$4,022,559	\$4,762,710

*Enrollments and FTEs are not listed for Sp Ed Units or CTCs by DPI

**February
2013**

North Dakota Education Issues

NDEA – Public Attitudes on Teacher Pay



DFM Research

Dean Mitchell, Consultant
Saint Paul, MN 55102
www.dfmresearch.com

- Just under eight-of-ten North Dakotans believe increasing new teacher salaries is very (50%) or fairly (29%) important to ensure North Dakota's best and brightest college students consider becoming a teacher. The support level was stronger in rural North Dakota as compared to the urban communities.

The survey respondents were then informed of a potential proposal to raise the minimum teacher salary to \$36,000; and then asked if this amount "should be lower, sounds about right, or should be higher". The results are clear and unambiguous:

- 57 percent said sounds about right
- 11 percent said should be higher
- 25 percent said should be lower (with an additional 7 percent unsure)

Based on the survey design which provides increased knowledge and opportunities to process and evaluate the value of a high quality education, the data clearly shows that North Dakotans, regardless of where they live, their age, gender or political leanings, are very supportive of increasing salaries for new teachers. Consider:

- 70 percent of North Dakotans believe some of the surplus should be spent on increasing education spending. (Question #7).
- 58 percent of North Dakotans believe teachers are currently underpaid. (Question #9)
- Over half (52%) believe new teachers are paid less than \$30,000. We can infer that a good many North Dakotans believe that \$30,000 is too low of a yearly salary for new teachers. (Question #10, crosstab with Question #9)
- Just under 70 percent of North Dakotans when they hear that their teachers are among the lowest paid in the nation, believe this is a solid reason to make this a priority. (Question #12)

And finally, after having an opportunity to gauge whether or not teachers are underpaid, guesstimating new teachers' salaries, given an opportunity to set new teacher salary ranges, and asked a series of questions which place value on high quality education, survey respondents were given an opportunity to make a final judgment on a potential minimum salary of \$36,000 per year. The data clearly supports that \$36,000 "sounds about right" for a minimum yearly teacher salary.

North Dakota Survey: Attitudes on Teacher Pay

Interviews: 600 respondents by live caller from Stone Research Services of Indianapolis, Indiana.
Margin of Error: ± 4.0 percentage points with a 95 percent confidence interval.
Interview Dates: February 4-7, 2013.
Sample: Stratified Random Sample. Random digit numbers provided by Survey Sample International (SSI) of Fairfield, CT. SSI provided Stone Research with 5,000 residential random phone numbers from a pool of listed and unlisted numbers in the boundary area, which then were stratified into five distinct North Dakota geographical regions.
Survey Sponsor: North Dakota Education Association.

Screen is person with the most recent birthday over the age of eighteen.

Q1: First off, did you vote in the 2012 presidential election?

Yes	100%	Continue
No		Terminate
(VOL) Unsure		Terminate
(VOL) Refused		Terminate

Q2: Generally speaking, do you think the country is moving in the right direction, or is the country off on the wrong track?

	<u>02/13</u>	<u>04/12</u>
Right direction	36%	26
Wrong track	52	62
(VOL) Unsure	12	12

Q3: And generally speaking, do you think North Dakota is moving in the right direction, or is North Dakota off on the wrong track?

	<u>02/13</u>	<u>04/12</u>
Right direction	79%	72
Wrong track	11	15
(VOL) Unsure	10	13

Q4: I'm now going to read you some names of public figures and organizations, for each one, please tell me if you have a favorable or unfavorable opinion, and if you never heard of them before, just let me know. (ROTATE 4a to 4e).

	<u>Favorable</u>	<u>Unfavorable</u>	<u>Neutral (VOL)</u>	<u>Never Heard Of</u>
Q4a: Barack Obama	42	51	7	0
Q4b: Heidi Heitkamp	65	23	12	1
Q4c: John Hoeven	84	8	7	1
Q4d: Kevin Cramer	52	18	23	7
Q4e: Jack Dalrymple	74	12	9	5

Q10: Currently North Dakota teachers are among the lowest paid in the country, ranking 47th in the nation. Do you believe the current national ranking is a reason to make increasing teacher salary a priority this legislative session? (If yes, probe for either strong reason or not so strong reason).

Yes, strong reason	52%
Yes, not so strong reason	15
No	25
(VOL) Unsure	8

Q11: When it comes to establishing teachers' salary ranges, do you believe the amount should be set by a statewide standard, or do you believe it should be set by local school boards?

Statewide standard	34%
Local school boards	58
(VOL) Unsure	8

Q12: How important do you believe an increase in K-12 education state funding is to ensure North Dakota students are ready for either college or today's work force? (READ LIST)

Very important	68%
Fairly important	19
Only somewhat important	7
Not that important	5
(VOL) Unsure	1

Q13: How important is a competitive teacher salary when it comes to ensuring a high quality education for North Dakota K-12 students? (READ LIST)

Very important	47%
Fairly important	34
Only somewhat important	14
Not that important	3
(VOL) Unsure	2

Q14: And how important do you believe increasing new teacher's salary ensures our best and brightest college students consider becoming a teacher? (READ LIST)

Very important	50%
Fairly important	29
Only somewhat important	16
Not that important	3
(VOL) Unsure	2

Q15: Knowing what you know about new teacher salaries, all things being equal, how likely would you recommend that a relative or family friend nearing college age pursue a degree to become a North Dakota teacher? (READ LIST)

Strongly recommend	24%
Somewhat recommend	47
Not likely to recommend	14
Would not recommend	10
(VOL) Unsure	5

Testimony on HB1319
Tuesday, March 12, 2013

Jon Martinson, Executive Director
North Dakota School Boards Association

Chairman Flakoll, Chairman Cook, and members of the committees. I am Jon Martinson with the North Dakota School Boards Association.

Over the past few years, the state has made progress in the areas of education equity and adequacy. The funding formula in previous foundation aid bills wasn't perfect and subsequent legislative sessions would fine-tune the formula upon hearing from knowledgeable educators and superintendents.

This bill contains new ideas, creative ideas, and a new way to calculate funding to schools. Property tax relief is foremost among the changes. Those of us in the coalition formed to successfully defeat Measure 2 are well aware that North Dakotans want property tax relief.

This bill limits school boards to adding up to 10 mills (beyond the 50) for educational purposes and an additional 12 mills for miscellaneous. This cap is a concern for some small rural schools.

In an email to me, a board member from Edgeley said:

"The caps on our property taxes will be devastating in an environment of increasing valuations. We are in that environment and are being pinched between the mill cap on one side and the percent of dollar increase on the other side. I believe our friends in the larger schools are not in this situation because the valuations in larger cities have not seen the increases that the rural counties have seen."

The superintendent from Edgeley, Rick Diegel, is here today and will offer additional information.

Taking into account concerns of our small rural schools will make the bill a better one and allow us to continue to progress toward equity and adequacy given this new funding bill.

Thank you. I am happy to answer questions.

TESTIMONY ON HB 1319

#9

By

Tristan DeCoteau Student TMCHS

Greetings Chairman Flakoll and members of the Senate Education Committee and Senate Finance and Taxation Committee. For the record, my name is Tristan DeCoteau. I am a student of the Turtle Mountain High School in the Belcourt School District # 7. I am also member of our Student Council. I am here today to testify on HB1319.

The Turtle Mountain Reservation and the Belcourt School District share the same boundaries. I live within these boundaries where Native American unemployment hovers around 67%. Out of our student population, 98% is Native American and 75% qualify for free and reduced meals. Many of our students are dependent on our school lunch program to get a nutritious meal each day; this is also evident in the summer as about 500 students come to our school to take advantage of our summer lunch program.

Our school offers many academic and extra-curricular activity opportunities to all students at one time or another in an effort to keep them in school and achieve educational success. A large number of our students rarely experience a simple out of town trip to North Dakota cities to attend an event that would broaden their intellect and increase their understanding of good citizenship. Our school takes on the role of providing these travel opportunities through athletics, activities and other programs and lowers culture shock.

An example of an opportunity provided to our high school students is through a non-profit organization called Students Making A Difference (SMAD). I am a member of the SMAD program and we do a lot of fund-raising for various community service projects. To raise money for our organization as well as for the community service projects we engage in fund raising activities. For example, we raise money for the National Cancer Society and Turtle Mountain Relay For Life. We also conduct food drives for our local food pantry.

While we are doing all these community volunteer things, we also track our volunteerism time and after reaching a certain level, we are allowed to go on a volunteerism trip at the end of the year which costs about \$10,000. We are required to fundraise at least half of this amount and the remainder comes from our School District State Money. We are also required to maintain passing grades to go on this trip.

During this trip we typically go around the state and other states to help other communities with projects. Last year, we went to Mandan and Bowman, then down to Spearfish, South Dakota and off to Rapid City. We cleaned a homeless shelter, painted and cleaned old horse stables, visited a retirement home, and picked up trash around Rapid City. It was no luxury trip, we stayed in churches and showered when we could. In reflecting on this experience, I met other people and learned about their way of life and what they are about. It also felt pretty good to help out other communities while allowing these other communities to learn about our way of life as members of the Turtle Mountain Band of Chippewa.

Our SMAD activity is only one of many opportunities we are provided that allow us to grow intellectually which helps us increase our educational potential. Other similar programs available to our students using State money is the summer youth program (BYAP), after school recreation programs, after school tutoring, pep buses to athletic events out of town, after school art classes, extra-curricular band and drivers training. My point is, so many of these programs help keep our Native kids in school, and these above mentioned programs cost money, which come from State Aid funding.

We very much rely on State money to make the aforementioned opportunities available. So, any decreases in funding ultimately affect our educational achievement. Our school also serves many at risk students who come from households with numerous social and economic problems which often are a direct result of low family income. Our school must take on an increased role of counseling in its effort help students achieve academic success versus many other schools without these types of issues.

I support the passage of HB1319 with amendments that will allow Turtle Mountain Community Schools adequate State funding to maintain current services and programs allowing our students to achieve academic success.

Chairman Flakoll, this concludes my testimony. I will be happy to answer any questions that you may have.

#10

Testimony on HB1319

By

Dr. M. Douglas Johnson, Executive Director—NDCEL

Chairman Flakoll and Chairman Cook and members of the Senate Education and Finance and Taxation Committees, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to testify on the strengths and weakness that the members of the NDCEL have found with the **HB1319**, a bill which is designed provide a funding formula that integrates property tax relief, equity and adequacy into the state's funding of K-12 public education.

The NDCEL welcomes additional state funding for K-12 education and has been a strong supporter of educational equity and adequacy when applying the formula. Over the past seven years our association has worked closely with the Commission on Education Improvement to develop a formula that would address both equity and adequacy in educational funding. The process we used to develop that formula was truly a joint effort and allowed the proposed formula to be vetted by our membership prior to it being acted upon by the legislature. The introduction of HB1319 during this legislative session proposes to completely change how the state would fund K-12 education. While this bill has finished a review by the House and the members of our association it is still in need of further vetting by our membership and the legislators who will need to act on this bill during the remainder of this legislative session.

Prior to the introduction of HB1319 during the start of this legislative session there was little discussion as to exactly how the new funding formula would work. This left our members struggling to figure out just how the changes to the proposed formula were being calculated and what financial impacts the new formula would have on their school districts' finances. We presented testimony on the perceived strengths and weaknesses of HB1319I during its deliberation by the House Education Committee and asked that they consider making changes to the following:

- Changing the baseline calculation that is used for determining maximum and minimum payments to avoid skewed financial results for determining which districts would be "off the formula."
- Concern that this significant commitment to lower property taxes comes at the expense of local school districts giving up a substantial number of mills which had previously under their local control.
- A formula that is underfunded to and additional funding needs to be added beyond what is currently proposed.

- Weighting factors such as the REA needed to be looked at more closely to make sure they are being funded at appropriate levels
- Weighting factors for small schools need to be looked at to address the impact of providing an equal opportunity for educating their students.

The House Education Committee responded to these concerns by adopting the following amendments to HB1319 which:

- Reduced the REA weighting factor from .004 to .002
- Increased the number of students to qualify for isolated school factor (.10) from 100 to 125
- Added additional weighting factors for schools between 125 and 185 students from 1.26 (184) to 1.35 (125 or fewer)
- Removed the \$2 million mineral exclusion from 75% in lieu calculations
- Changed the baseline funding calculation as follows:
 - Current state aid payment (2012-13) plus,
 - MLRG dollars (2012 taxable value) plus,
 - Dollars generated from the total of a district's general fund or 110 mills whichever is less plus,
 - Technology and alternative education levies plus
 - 75% of in lieu of moneys received by the district divided by,
 - Districts wsu
- Set the 2013-14 Minimum at 102% of 2012-13 baseline or 100% of baseline whichever is greater
- Set the 2013-14 Maximum at 110% of 2012-13 baseline
- Provided for construction loans to be paid by county treasure not state treasure

The House Appropriations Committee then reviewed the bill and made the following amendments which were ultimately adopted by the Chamber of the House and are in the Engrossed Version of HB1319 which is before you which:

- Sun set the bill at the end of the coming biennium
- Increased the mill levy 50 mills to 70 mills for the:
 - Reduction for baseline formula from of the valuation of the district
 - Number of mills times the statewide average valuation per student by which the superintendent of public instruction will determine state aid
 - Determination of minimum local effort at number of mills times the statewide average valuation per student by which the superintendent of public instruction will determine state aid
- Changed the voter approved excess levy structure to reflect the additional 20 mills as a precondition for receiving state aid
- Required county treasure to include in dollars the amount by which a tax payer's liability has been reduced as a result of mill levy reduction grants provided by state legislature in the tax Statement
- Required Legislative Management to appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate for K-12 education

As **HB1319** stands now, school districts will be able to levy up to 80 (70 base + 10 additional mills), plus the 12 mills for non-educational purposes plus special reserve fund levy (3 mills) for a total of 95 local mills. This change generates approximately \$119 million in additional funding which appears not to be applied to the funding formula.

Jerry Coleman, ND Department of Public Instruction (NDDPI) has provided a detailed explanation of how the House Appropriations amendments (70 mill local contribution) passed by the House would impact each district's payments. The final adopted version of **HB1319** which basically increases each districts local contribution by 20 mills created very little funding change in the payment to individual school districts from the House Education Committee's original amended version of the bill. We believe is that the additional 20 mills now go to buy down the mills for property tax relief instead of going into funding the formula.

It appears that most of the \$119 million generated by the additional 20 mills do not go into the formula but go to fund property tax relief currently proposed in HB1198. This appears to be shown in **HB1013**, as it currently stands, which has a \$102,850,000 reduction to the integrated formula payment. This reduction has had no substantial effect on the formula "print outs" provided by the NDDPI after the House Education amendments were adopted in February. The additional \$17 million (difference between \$110 million and \$103 million) appears to fund the amendments adopted by the House Education Committee. It is the NDCEL's belief that the funding of property tax relief needs to come from either the State's general fund and/or the property tax relief fund and should not come from the additional 20 mills now part of the formula.

The NDCEL recognizes that the amendments in the House adopted version of HB1319 do address some of the board's concerns, but in the calculation of the baseline for determining minimum and maximum payments, it still leaves nearly 140 school districts off the formula. In addition, school districts experiencing declining enrollment are still significantly impacted by the much greater loss of state funding per student with little opportunity to offset the loss even with the increase in the local levy cap from 60 to 80 mills. This bill makes school districts very dependent upon the state legislature's willingness to "adequately" fund public education now that 80% of the funding would come from the state. Finally, we believe that the amendments made by House Appropriations now make HB1319 more a property tax relief bill than a school funding bill.

Finally, it should be know that the NDCEL has many members that will be impacted by this new funding formula in a positive way and a negative way. It should be noted that our members recognize HB1319 as the only funding formula bill for K-12 education being heard during this legislative session. As a result, the NDCEL is taking a neutral position on this bill but believes that

it is the only bill by which a funding formula can be developed and implemented for the coming biennium. We hope that both committees take to heart the testimony given by our members in testifying today as it considers this bill. Further, we hope the committee allows for the full vetting of any proposed formula by our membership before adopting any amendments to the bill. The NDCEL stands ready to assist both committees as they consider this bill in developing a formula that could work to develop a new formula which would be to the benefit of all school districts in our state.

Chairman Flakoll, chairman Cook and members of the Senate Education and Finance and Tax Committees, this concludes my testimony. I will be happy to answer any questions that you may have at this time.

H(1)

Testimony

3-12-13

Senate Education and Finance and Taxation Committee

Chairman Flakoll, Chairman Cook and members of this joint committee:

My name is Mike Ness and I am the Superintendent of the Hazen Public School. I am here today to speak in favor of HB 1319. This bill will help the Hazen Public School and many other schools in the state. I want to let you know how the present foundation aid bill has impacted our school.

The present foundation payment system worked quite well for the Hazen School during the first biennium and then things changed. Our city did a complete reevaluation of property in Hazen and the average increase in property valuation went up 47%. That may sound great for the public entities but when we didn't have many new homes or businesses the fear was that the public entities including the school and city would keep our mill levy the same and everyone's property taxes would increase dramatically. Neither the city commission or the school board thought this would be good for our community so we both decided to drop our mill levy and ask for the same number of dollars as the previous year. The problem with that was it impacted our equity payment so we lost almost a quarter million dollars in the foundation aid equity payment for this school year.

On top of that, after reducing our mill levy to 88 mills to ask for the same number of local dollars, we could only increase 12% this year so we couldn't make up our loss from the equity payment. All of this combined to push us to a projected budget deficit of \$270,000 this year.

With those issues facing us, the Hazen School Board decided to cut one administrative position and our school board also decide not to hire additional elementary teachers for this year even though our enrollments are pushing the upper 40's in 1st and 2nd grade with 2 teachers. Our enrollment has gone up by 40 students from last year but we will not receive additional foundation payments for those students until next school year. The new students we have enrolled this year also have very high needs. Many of them are here with the oil industry and we receive a very small amount of oil revenue.

The point I want to make is that even though the projections on HB 1319 look like it will be a great windfall for the Hazen School, it will only help us catch up for what has happened to us over the last two years.

Thank you for listening and I would try to answer any questions you may have.

Testimony submitted by Superintendent Mike Ness – Hazen Public School

#12

TESTIMONY ON House Bill 1319

By

Shelrae Davis Student TMCS

Greetings Chairman Flakoll and members of the Senate Education Committee and Senate Finance Committee. My name is Shelrae Davis. I am a senior at Turtle Mountain Community High School in Belcourt and vice-president of the Student Council. I am here today to testify on House Bill 1319.

I believe House Bill 1319, in the form passed by the House, requires amendment(s) to assure Native American school districts, such as Belcourt District #7, are not affected in a negative manner. The current funding formula in HB 1319 will result in a decrease in state aid funding to our students. Governor Dalrymple recently met with many Native American school districts and conveyed funding decreases to some Native American school districts was unintended. The Governor also agreed to assist in developing solutions in correcting the formula by amendment. I also believe this this funding decrease was unintended. As HB 1319 was explained to me, I concluded it has the potential to have a positive effect on ALL school districts in in our State.

As a senior at TMCHS I have participated in some of the academic opportunities such as credit recovery (summer school) to recover credits due to time away from school for medical reasons. This program is offered during the summer at TMCHS. It provides students like me with an educational opportunity to make up credits lost out during the school year. Our school often uses its State funding to directly or indirectly make such programs available to students.

Educational issues we face in the Turtle Mountain Community School(TMCS) system are making Adequate Yearly Progress (AYP), low graduation rate and a high drop-out rate. Native American schools such as ours require various support opportunities for students to achieve educational success. Many of the support programs, such as credit recovery, are supported directly or indirectly with State funding. We realize our issues and our only option is to continue to strive to overcome these issues; giving up is definitely not an option. Subsequently, a State funding decrease may be detrimental to the education of our students.

Our school system also recognizes that many of our students may find success in non-traditional programs such Career Technical Education (CTE). Our CTE program offers educational opportunities in course areas such Welding, Automotive Technology, Construction Technology, Home Economics, Family and Consumer Science, Business Management, Technology and Health Occupations. These programs are about 90% supported with State funding. So, our CTE program would not be available without State funding.

I want to convey, we as students of the Belcourt School District, very much rely on State money to make many educational opportunities available to keep us in school and position us to achieve educational success. So, any decreases in State funding ultimately affect our educational achievement. I also want to stress we as students do not have a proposed amendment or solution; rather, we are counting on you as our elected State officials to assure us an opportunity to achieve our educational success.

Please keep in mind our school also serves many at-risk students who come from households with numerous social problems which often are a direct result of low family income. These at-risk students in many cases, without even knowing it, rely heavily on State funding to provide them with tailor made education programs that increase their potential to achieve success in education and gaining knowledge. State funding allows our school system to provide various programs to keep our students in school while keeping academic success in reach.

I support the passage of HB1319 with amendments that will allow Turtle Mountain Community Schools adequate State funding to maintain current services and programs allowing our students to achieve academic success.

Chairman Flakoll, this concludes my testimony. I will be happy to answer any questions that you may have.

Edgeley Public School District #3

High School Principal
Todd Kosel

Elementary Principal
Garitt Irely

Business Manager
Patricia Ann VerDouw

RICHARD DIEGEL, Superintendent
PO Box 37 307 6th Street
EDGELEY, NORTH DAKOTA 58433
Phone: (701) 493-2292
Fax: (701) 493-2411

#3

Board of Education
Mike Long, President
Steve Feist, Vice Pres.
Wendy Boom, Director
Patti Solinger, Director
Kent Madcke, Director

Chairpersons Flakoll, Holmberg and members of the education and appropriations committee, my name is Rick Diegel and I am Superintendent of Edgeley School, and I would like to bring your attention to the effects of HB 1319 on the Edgeley School District.

Thank you for taking the time to listen to my testimony, and I will try and be brief but still try and explain in detail the concerns the Edgeley School District has with HB 1319. There are 3 main parts to these concerns:

1. Currently school districts are limited in requesting over 12% more money in property tax, which will have devastating effects under HB 1319. It is my understanding that under HB 1319, school districts will have 70 mills deducted from our foundation aide payment, which we are expected to recover by levying 70 mills locally. We then will have an additional 22 mills (or 25 mills if we use the special levy) to fund our schools.

The devastating part of that is if our taxable valuation increases by more than 12%, we will not be able to recover the amount that the state is deducting if the state is also not limited in increasing our taxable valuation.

For example, if this funding formula was used now, the state would have deducted \$634,060, or 70 mills. But, with the 12% rule in place and since taxable valuation increased by 19%, I would only have been able to request \$596,153, not the \$634,060 that was deducted. The result is that I would have had to use over 4 mills of my 22 mills to simply recover what the state withheld, leaving me with only 18 mills to fund my school.

If the 12% limit is reduced to 6% or 3%, as has been introduced, you can see the devastation it will have on our funding.

I would like to hand out a printout that was provided me Brian Nelson, Superintendent at Lewis & Clark School in Berthold of the list of school districts in ND that had over a 12% valuation increase and a list of school districts in ND that had a lower than 12% increase. It is basically a rural vs. urban school issue.

2. Because of the income level of LaMoure County, which was rated 14th highest per capita income county in the nation earlier this year, the Edgeley School District is losing 40% of our federal Title I funding.

Edgeley Public School District #3

We are in the process of eliminating our pre-school program, along with one paraprofessional. This is in addition to the one staff member we reduced last year through attrition.

in title I

3. With this funding formula, I believe we are going to see school districts levying at the maximum mills allowed in order to prepare for declining enrollment and the loss of revenue created by the 12% maximum allowed if the state's deduction is also not capped. If this bill passes in its present form, I believe you will see devastating cuts in schools such as Edgeley, and cuts at a time when there has never been more prosperity in North Dakota.

Thank you for your time.

Edgeley Public School District #3

#14

North Dakota Schools with taxable valuation increases of more than 12%:

Hettinger, Litchville, Minnewaukan, Leeds, Maddock, Oberon, Fort Totten, Billings County, Bottineau, Westhope, Newburg United, Bowman, Scranton, Bowbells, Powers Lake, Burke County, Naughton, Wing, Menoken, Sterling, Maple Valley, Page, Northern Cass, Munich, Langdon, Ellendale, Oakes, Divide County, Killdeer, Halliday, Twin Buttes, New Rockford, Hazelton-Moffit, Bakker, Strasburg, Linton, Carrington, Beach, Lone Tree, Larimore, Midway, Northwood, Roosevelt, Elgin, Midkota, Cooperstown, Mott/Regent, New England, Edgeley, Kulm, LaMoure, Napoleon, Gackle, Velva, Anamoose, Drake, TGU, Zeeland, Wishek, McKenzie County, Alexander, Yellowstone, Earl, Montefiore, Underwood, Max, Garrison, Turtle Lake, White Shield, Little Heart, New Salem, Hebron, Flasher, Glen Ullin, New Town, Stanley, Parshall, Lakota, Center, Cavalier, Drayton, North Border, St. Thomas, Wolford, Rugby, Edmore, Starkweather, Lisbon, Enderlin, Mohall, Glenburn, Hankinson, Lidgerwood, Wyndmere, Richland, Dunseith, St. John, Mt. Pleasant, Belcourt, Rolette, Milnor, North Sargent, Sargent Central, Goodrich, McClusky, Solen, Fort Yates, Selfridge, Marmouth, Central Element, Dickinson, South Heart, Belfield, Richardton/Taylor, Hope, Finley-Sharon, Medina, Pingree-Buchanan, Montpelier, Central Valley, Hatton, Hillsboro, Mayville-Portland, Minot, Nedrose, Sawyer, Kenmare, Surrey, Lewis and Clark, South Prairie, Fessenden/Bowdon, Pleasant Valley, Harvey, Williston, Nesson, Eight Mile, New District, Tioga, Grenora.

North Dakota Schools with taxable valuation increases of 6% or less:

Bismarck, Fargo, West Fargo, Grand Forks, Mandan, Devils Lake, Wahpeton, Jamestown, Grafton, Valley City.

15

Senate Education Committee and Senate Finance and Taxation Committee

Re: HB 1319 Education Funding

Date: March 12, 2013

The Honorable Tim Flakoll
State Senator
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

The Honorable Dwight Cook
State Senator
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0360

Chairman Flakoll, Chairman Cook and Members of the Senate Education and Senate Finance and Taxation Committees:

My name is Dr. Paul Stremick, Superintendent of the North Border School District. I am here to oppose HB 1319.

I have always been a proponent of equity and adequacy for school funding. I have been involved in a lawsuit against the State of North Dakota, and I have served on the Governor's Commission on Education Improvement. It is my opinion that HB 1319 does not promote equity or adequacy for all schools in North Dakota. HB 1319 will provide inequitable tax relief, will promote a culture of competition and recruitment for open enrollment, discourages school consolidation and will hurt the educational system in many small schools by depriving them of the same educational opportunities they enjoy today.

A formula is a means to distribute funding. A formula can be made to send money to any type of district. The formula in HB 1319 provides additional funding to certain districts without defining the need to do so. Yes, they are more efficient, but that does not mean the less efficient districts do not need additional funds to provide an adequate education. If enrollment was held constant, North Border would receive a 2% increase under the minimum. However, we still would be held harmless for \$1,200,000 which means we will never get on the formula. A different district that is on the formula receives a 7% increase when enrollment is held constant. Why? Remember a formula can be made to funnel money to any type of district.

In order for HB 1319 to be a viable formula, more than 33 school districts should be on the formula. There are 105 districts on the transition minimum and 41 districts on the transition maximum. A factor needs to be created that accounts for the variance in smaller districts with a large number of square miles and with schools in different communities.

The current formula allows for additional revenue by imputing minerals at 70% and allows for a difference of 90-150% in property value with an imputation when value is over 150%. HB 1319 recognizes the additional cost of educating students associated with minerals by having the imputation at 75% but does not allow for additional costs associated with educating students that are spread over a large area, property is totally equalized, again I ask why? Please keep in mind, equality should not be considered synonymous with equity. Equality means treating everyone the same. Equity means treating everyone fairly.

If a district such as North Border has to levy more mills to be held harmless, than the tax relief to the patrons of North Border is less than what it will be in other districts that remain at the 70 mill minimum. In fact, I believe many small school districts will levy 95 mills in year one. Which means the tax relief for small districts will be the difference between 110 mills and 95 mills. Which is 15 mills, while other districts may receive more than 40 mills of relief.

North Border is a consolidated district made up of three former school districts from Neche, Pembina and Walhalla. The school district operates three buildings with two elementary schools and two high schools which makes the district somewhat inefficient. However, compared to three elementary schools and three high schools prior to consolidation we are much more efficient. Due to building constraints we are unable to have any further consolidation of programs at this time. HB 1319 penalizes a district like North Border for being inefficient even though it consolidated by following the state guidelines and recommendations. The school size factor for North Border is a 1.02 which means we get 2% more funding based on our district size. Had we not

consolidated, the combined school districts would receive an average factor of approximately 1.25 which would mean an additional 23% in funding. The current formula allows the difference to be made up through the valuation of the consolidated district by levying up to 110 mills, which North Border does. So, why would schools consolidate if they lose funding and do not have the facilities to house all of the students in one location to create efficiencies? There is not a facility in Pembina County that can house all of North Border's students along with a district's existing enrollment, so the inefficiencies would persist in any further consolidation. I would like to think state policies would encourage districts to do what is best for the students.

Just so you don't think there I'm totally negative, I do like section 33 of the bill where there would be a committee formed to do a study on this formula. But I do think this should take place before the formula is implemented.

I do not envy the task that lies in front of you. However, I am confident that you will do what is best for all of the children of North Dakota. Thank you for the opportunity to submit this testimony. I would be happy to answer any questions or provide more information if you would like.

#16

Chairman Flakol, Chairman Cook and committee members,

I'm Roger Abbe, superintendent of the Midway and Larimore Public School Districts.

I agree with all of the concerns that have been expressed to this point and I won't repeat them but I do want to state my concern that so little has been said in this session about addressing teachers' salaries aside from increasing the minimum base salary which, as you've already heard, impacts only about 9 districts. 95% of us are already well beyond that. NDs per capita income is now among the top ten in the country yet teacher salaries remain in the bottom 6. I heard the NDEA representative testify that this would be a good bill for salaries but I think that's overly optimistic. The projections I've seen indicate there will be money for some pay increases in the first year of this plan but there's no way to sustain the raises the second year. In any case, this bill, with its extremely high deduct and reduction of the local ability to compensate for it, could lead to ND's ranking dropping even further over the biennium. I agree that 70% of new money can't be a factor for this biennium but, even so, there's not enough here for decent and sustainable increases. Also, keep in mind that projections that go to school districts that you may see don't reflect deductions for special education units, REAs and data. When these are taken out, the second year increase, in my case, disappears.

My school boards and I would prefer to have property tax reduction handled separately from school funding but, if we do have to have his bill, then much more needs to be done the second year so we can provide sustainable salary increases that will increase ND's ranking. One way to do this could be to lower the deduct to 30 mills for this biennium as a transition and increase it gradually in future bienniums. WPU's could also be lowered a bit in this case. This will maintain the property tax reduction and allows more local money to stay in the district to provide sustainable salary increases.

I also want to disagree with an earlier statement that the cost of education has not changed recently. Technology is one major area of change. My district of Larimore will spend close to \$50,000 just to upgrade the network infrastructure to allow for the type of classroom use of technology that should be an essential part of a 21st century education. But Technology costs go beyond just infrastructure and hardware. It also requires staff to maintain that hardware and staff to provide training and support so the investment in technology hardware is well spent. Just reducing staff is overly simplistic. We need staff that supports 21st century needs. That's one example of why I don't believe the study from 2 years ago is adequate.

Thank you for listening. I apologize for not having a handout of my testimony but I was continually revising it as the hearing proceeded. I'd be glad to send a copy of this to any of you if you wish.

CHAIRMAN FLAKOLL, CHAIRMAN COOK AND SENATE EDUCATION AND FINANCE & TAXATION COMMITTEE MEMBERS

FOR THE RECORD MY NAME IS ROBERT TOLLEFSON, EXECUTIVE DIRECTOR OF NORTH DAKOTA SMALL ORGANIZED SCHOOLS.

AS EXECUTIVE DIRECTOR, I REPRESENT 119 OF THE 179 SCHOOL DISTRICTS IN THE STATE. NDSOS MEMBER SCHOOLS COMPRISE 66.5% OF THE SCHOOLS.

HB 1319 IN NDSOS'S INTERPRETATION REPRESENTS AN EFFORT TO ADDRESS TWO IMPORTANT GOALS:

1. PROVIDE INCREASED STATE FINANCIAL SUPPORT FOR K-12 EDUCATION WHICH WILL ASSIST IN PROVIDING A QUALITY EDUCATION.
2. PROVIDE PROPERTY TAX RELIEF FOR TAX PAYERS THROUGHOUT OUR STATE WHO HAVE CONTINUED TO PROVIDE FINANCIAL SUPPORT FOR VARIOUS LOCAL SERVICES OVER A NUMBER OF YEARS.

WHILE BOTH GOALS ARE ADMIRABLE, WE HAVE HELD HOPE THAT THE DRIVING FORCE FOR THIS BILL IS FOUNDED ON THE NUMBER ONE GOAL OF INCREASED STATE FUNDING FOR K-12 EDUCATION.

NORTH DAKOTA IS INDEED FORTUNATE TO WITNESS A POSITIVE ECONOMIC CLIMATE CURRENTLY AND ALL INDICATIONS ARE THAT THE FUTURE FORECAST APPEARS POSITIVE AS WELL. THIS HAS ALLOWED OUR STATE AND ITS LEADERS TO LOOK AT ASSUMING MORE RESPONSIBILITY FOR THE STATE IN FUNDING OF EDUCATION FOR NOW AND HOPEFULLY IN THE FUTURE.

PAST LEGISLATIVE ACTIONS HAVE INITIATED THE PROCESS FOR ADDRESSING THE TWO PREVIOUSLY LISTED GOALS, BUT HB 1319 TAKES A MASSIVE STEP IN ADDRESSING THEM.

SCHOOL DISTRICTS ARE COMPRISED OF PROPERTY (DETERMINED IN SQUARE MILES) WEALTH OF DISTRICTS (TAXABLE VALUATION) AND STUDENTS (NUMBERS OF).

THESE ITEMS COMPRISED IN EACH SCHOOL DISTRICT VARY GREATLY AND IN ORDER TO ADDRESS OUR TWO GOALS LISTED ABOVE, THE BILL PROVIDES A NUMBER OF SPECIFIC PARAMETERS WHICH ARE DEVELOPED TO FIT NEATLY INTO A FORMULA WHICH WILL PRODUCE A PRODUCT WHICH WE REFER TO AS THE STATE EDUCATION PAYMENT.

NDSOS IS CONCERNED THAT WHEN APPLYING THE SPECIFIC PARAMETERS, THERE ARE AREAS WHICH CREATE CONFUSION AND INEQUITIES RATHER THAN TO SOLVE THEM.

NDSOS BELIEVES THAT WHEN MAKING A MAJOR FUNDING CHANGE, WITH RESPECT TO THE DOLLARS PLACING INTO THE NEW FORMULA, THE FOLLOWING MUST BE CONSIDERED AND STRIVED TO ATTAIN:

1.) ALL SCHOOLS SHOULD NOT LOOSE DOLLARS

THE BILL AS INITIALLY DEVELOPED AND NOW IN its CURRENT FORM WITH AMENDMENTS DOES NOT PROVIDE ALL SCHOOLS WITH POSITIVE FUNDING RESULTS. IT IS EASY TO GRASP THE BILL'S CONCEPT THAT SCHOOL DISTRICTS WHICH ARE PROPERTY WEALTHY (A NUMBER OF SMALL SCHOOL DISTRICTS) WITH LOW ENROLLMENTS (ESPECIALLY DECLINING ONES) WILL BE NEGATIVELY IMPACTED. SMALL SCHOOLS ARE NOT THE ONLY ONES WHO FALL INTO THIS CATERGORY BUT WHEN COMPLETING THE FORMULA, IT LEANS IN THAT DIRECTION. A LOSS OF STUDENTS DOES NOT MEAN PROPORTIONALLY LOWER COSTS. IN FACT WHEN LOSING STUDENTS, A DISTRICT'S TAXABLE VALUATION PER STUDENT IS INCREASERD. THIS INCREASE EQUATES TO A HIGHER AVERAGE PER STUDENT TAX BASE AND USING THE FORMULA, WOULD RESULT IN A FURTHER REDUCTION IN STATE PAYMENTS BEYOND THE PER STUDENT PAYMENT.

2.) INCREASED LEVEL OF WEIGHTED STUDENT UNITS

AS PREVIOUSLY STATED, THE COST OF EDUCATION IS NOT EQUAL FOR ALL SCHOOLS AND MANY VARIABLES PLAY A PART IN DETERMINING THAT COST. **ND CENTURY CODE 15.1-27-03.2 ENTITLED WEIGHTED STUDENT UNITS** HAS BEEN AROUND SINCE THE 60'S WITH THE INTENT TO SUPPORT SCHOOLS IN AN EQUITY FASHION BASED ON OUR FINANCIAL

REQUIREMENTS TO EDUCATE A CHILD. THE BILLS AMENDMENTS TO RAISE SOME OF THE LEVELS DID PROVIDE SOME POSITIVE RESULTS; HOWEVER IN REVIEWING THE CURRENT LANGUAGE, THE WEIGHTED UNITS WILL REVERT BACK TO THE OLD LEVELS AT THE CONCLUSION OF THIS BIENNIUM. THE SUNSET CLAUSE DIRECTS THIS TO HAPPEN.

IT'S ALMOST OFFERING THE SUGGESTION THAT WE WILL MAKE A COMMITMENT TO OFFER A BUY-IN FOR THIS BILL BUT AFTER THIS, WE WILL TAKE BACK THE ITEMS WHICH MAY BE BENEFICIAL TO THOSE SCHOOLS IT WAS INTENDED TO HELP.

- 3.) WHEN MAKING MAJOR CHANGES IN A FUNDING PLAN, THE MAJORITY OF THE SCHOOLS MUST FIT INTO THE FORMULA.

ANYTIME A MAJOR CHANGE IS MADE, CONCERNS AND APPREHENSION ABOUND REGARDLESS OF WHAT WE MAY BE ADDRESSING. THIS BILL SURELY CREATES MORE QUESTIONS THAN ANSWERS AND IN NDSOS'S OPINION, WE ARE TRYING TO FAST FORWARD A BILL WITHOUT FULLY UNDERSTANDING THE RAMIFICATIONS INVOLVED IN MAKING THIS MASSIVE CHANGE.

IF WE ARE EXPERIENCING MORE "HOLD HARMLESS" SCHOOLS ON THE FORMULA, WE BELIEVE THAT WE ARE STARTING OUT ON THE WRONG FOOT. PERHAPS MAINTAINING THE EXISTING FINANCING PLAN WITH SOME OTHER FORMS OF PROPERTY TAX RELIEF FOR THIS COMING BIENNIUM MAY BE A BETTER WAY TO ADDRESS THE BIENNIUM. THIS COUPLED WITH A PLAN OF ACTION TO FULLY RESEARCH THIS PLAN DURING THE INTERIM, MAY YIELD THE ANSWERS NEEDED TO APPROPRIATELY MAKE A RESPONSIBLE AND SUPPORTED TRANSITION.

- 4.) THERE NEEDS TO BE AUTHORITY TO RAISE DOLLARS LOCALLY

IN THE PLAN IT HAS BEEN STATED THAT THE MILL BUY DOWNS OR STATE REPLACEMENT OF TAX DOLLARS WOULD GO TO THE 70 MILL LEVEL WHICH SHOULD BE EXPECTED FOR LOCAL SUPPORT WITH THE OPPORTUNITY FOR THE BOARD TO INCREASE 10 MILLS BY BOARD ACTION. SCHOOL DISTRICTS CONTINUE TO REALIZE INCREASED COSTS FOR THE DELIVERY OF IT'S SERVICES AND WITHOUT PROVISIONS TO MEET THOSE

NEEDS, POTENTIAL CURTAILMENT OF PROGRAMS OR ACTIVITIES MAY BE REQUIRED.

THE BILL PROPOSES TO REPLACE MILLS WHICH ARE CURRENTLY BEING LEVIED (BY SOME SCHOOL DISTRICTS) AND REPLACING THAT WITH STATE FUNDS. ONE MUST NOT THINK THAT THE PROPERTY TAX DOLLARS BEING REPLACED BY THE STATE IS AN INCREASE IN FUNDING FOR EDUCATION, FROM THE PERSPECTIVE OF THE CURRENT EXPENDITURES FOR STUDENTS. THE BILL INFERS THAT WE ARE RAISING THE PER STUDENT PAYMENT FROM APPROXIMATELY \$3,900 TO AN AVERAGE FOR THE BIENNIUM OF ABOUT \$9,000. FOR THE PUBLIC'S PERSPECTIVE, THEY SEE THIS AS AN ACTION WHICH WE WILL GENERATE OVER 2 TIMES THE DOLLARS FOR STUDENTS, WHILE IT REALLY DOES NOT. THE STATE'S SHARE IS INCREASING BUT THE LOCAL SHARE IS DIMINISHING WITH THE EFFORTS BY THE LEGISLATIVE BODY TO LIMIT INCREASES BY THE DISTRICTS. THIS IS A POTENTIAL LONG TERM PROBLEM FOR SCHOOLS IN MEETING THEIR NEEDS.

NDSOS'S STAND ON THE BILL CAN BE CONSIDERED NEUTRAL DUE TO THE FACT THAT CURRENTLY THIS IS THE ONLY K-12 FUNDING SOURCE AT THIS TIME. BASED ON THAT PREMISE, WE WILL CONTINUE TO SEEK AMENDMENTS THAT WILL HELP IN ADDRESSING THE MAJOR ISSUES WE FACE WITH THE BILL

I BELIEVE THAT EVERYONE UNDERSTANDS AND SUPPORTS THE TWO GOALS, HOWEVER, THE PARAMETERS WHICH DRIVE THE FORMULA DOES NOT PROVIDE A CLEAR PICTURE AND AS SUCH MEMBERS ARE NOT WILLING TO EMBRACE THIS PLAN.

I WISH TO THANK YOU FOR YOUR TIME AND CONSIDERATION IN THIS MATTER.

I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS,

#18

**WRITTEN TESTIMONY ON HB 1319
SENATE EDUCATION AND SENATE FINANCE & TAXATION
JOINT COMMITTEE**

March 12, 2013

**By: Kirsten Baesler, Superintendent
701-328-4570**

Department of Public Instruction

Chairman Flakoll, Chairman Cook, and Members of the Committees:

My name is Kirsten Baesler and I am the Superintendent of the Public Instruction. I submit the following testimony in favor of HB 1319 for integrated K-12 formula plan implementing the Executive Budget recommendation to deliver adequacy-based education funding.

Public Education funding has seen great progress over the past several sessions beginning with addressing equity and moving toward adequacy in education for every student in every corner of the state.

This bill is one step further on the path toward reaching that adequate education funding.

HB1319 eliminates the variability of fluctuation property valuations for the state. The bill also provides a balance of state funding combined with local property tax dollars. We believe with adequate local investment comes adequate local control.

Obviously, as an educator, and Superintendent of Public Instruction my priority is to ensure adequate funding for all schools in North Dakota and I am

optimistic the Senate will continue the work the House started on HB1319 and pass a suitable version of this bill to meet the needs of all North Dakota Public School students.

Thank you, Senators. I appreciate your time.

#1

HB 1319	Exec Rec	Introduced 13.0278.02000	House Education 13.0278.03000	House Appropriations 13.0278.0x000	
General Fund	932,900,162	932,900,162	932,900,162	932,900,162	16,750,000
Tuition Fund	140,326,000	140,326,000	140,326,000	140,326,000	
Property Tax Sustainability	714,173,838	714,173,838	714,173,838	714,173,838	(119,600,000)
Total Appropriations	1,787,400,000	1,787,400,000	1,787,400,000	1,787,400,000	

Sped factor		5,500,000	5,500,000	5,500,000	
\$2 million in-lieu exclusion		9,000,000			
REA factor			(3,700,000)	(3,700,000)	
Isolated eligibility			1,300,000	1,300,000	
District size factor			7,750,000	7,750,000	
Other In-lieu revenue		(2,900,000)	(2,900,000)	(2,900,000)	
Baseline funding			4,800,000	4,800,000	
Budget corrections			4,000,000	4,000,000	
70 mill Local Contribution Rate	-		-	(119,600,000)	
Total Expenditures	1,787,400,000	1,799,000,000	1,804,150,000	1,684,550,000	

Expenditures By Source					
General Fund	932,900,162	944,500,162	949,650,162	949,650,162	
Other Funds	854,499,838	854,499,838	854,499,838	734,899,838	
Total Expenditures	1,787,400,000	1,799,000,000	1,804,150,000	1,684,550,000	
Over/Under		11,600,000	16,750,000	(102,850,000)	

Expenditures for School Districts		1,073,226,162	1,073,226,162	1,089,976,162	
-----------------------------------	--	---------------	---------------	---------------	--

January 2013

#2

SUMMARY OF SCHOOL DISTRICT TAXING AUTHORITY

Current Levy - Section	Purpose	Treatment in HB 1319
2-06-07	Municipal or regional airport authority	Maintained as a separate levy
4-33-11	Pest control	Maintained as a separate levy
15.1-09-49	Fargo building fund	Maintained as a separate levy
21-03-15	Bond sinking and interest	Maintained as a separate levy
32-12.1-14	Interest and principal payments on bonds issued to pay compromise of judgment for injury claim	Maintained as a separate levy
47-17.2-21	Tax for railroad purposes	Maintained as a separate levy
57-15-14.2(1)(a)	Board and lodging for high school students	Consolidated
57-15-14.2(1)(b)	Teachers' fund for retirement	Consolidated
57-15-14.2(1)(c)	Tuition for students in grades seven through twelve	Maintained as a separate levy
57-15-14.2(1)(d)	Special education	Consolidated
57-15-14.2(1)(e)	Establishment and maintenance of an insurance reserve fund	Consolidated
57-15-14.2(1)(f)	Final judgment	Consolidated
57-15-14.2(1)(g)	Contribution to the old-age survivors' fund and matching contribution for the social security fund	Consolidated
57-15-14.2(1)(h)	Rental or leasing of buildings, property, or classroom space	Consolidated
57-15-14.2(1)(i)	Unemployment compensation benefits	Consolidated
57-15-14.2(1)(j)	Asbestos removal or abatement and Americans with Disabilities Act and fire code remodeling	Consolidated
57-15-14.2(1)(k)	Cooperative career and technical education program participation	Consolidated
57-15-14.2(1)(l)	Maintenance of a cooperative career and technical education program	Consolidated
57-15-14.2(1)(m)	Purchasing, contracting, operating, and maintaining schoolbuses	Consolidated
57-15-14.2(1)(n)	Establishing and maintaining school library services	Consolidated
57-15-14.2(1)(o)	Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment	Consolidated
57-15-14.2(1)(p)	Establishing free public kindergartens	Consolidated
57-15-14.2(1)(q)	Establishing, maintaining, and conducting a public recreation system	Consolidated
57-15-14.2(1)(r)	District's share to finance an interdistrict cooperative agreement	Consolidated
57-15-14.5	Long-distance learning and educational technology levy	Consolidated
57-15-16	Building fund	Maintained as a separate levy
57-15-17.1	Abatement or removal of mercury and other hazardous substances	Consolidated
	Americans with Disabilities Act remodeling	
	State Fire Marshal required remodeling	
	Alternative education programs	
	HVAC repair, modification, or replacement	
57-15-19.01	Special reserve fund	Maintained as a separate levy

13.0278.04006
Title.

Prepared by the Legislative Council staff for
Senator Flakoll

March 15, 2013

#3

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 22, line 21, after the period insert "A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section."

Renumber accordingly

13.0278.04008
Title.

Prepared by the Legislative Council staff for
Senator Flakoll

March 18, 2013

#4

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 17, line 2, replace "forty" with "twenty"

Page 17, line 4, after "times" insert "twenty percent of"

Renumber accordingly

Richard Marcellais

From: "Duane Poitra" <Duane.Poitra@sendit.nodak.edu>
To: <marcellais@nd.gov>
Cc: <rjm@utma.com>; "Lana Decoteau" <Lana.Decoteau@sendit.nodak.edu>; "Farrell Gourneau" <Farrell.Gourneau@sendit.nodak.edu>
Sent: Tuesday, March 19, 2013 9:42 AM
Attach: 2013-14 Version at 20% Mill Rate March 15 2013.pdf
Subject: Fwd: HB1319 Ed Formula Pmt Amendment
Scott,

Please be advised to the best of my knowledge at this time, the Belcourt School District and the other 10 school districts with taxable valuation per student that is less than forty percent of the state average valuation per student would find an amendment to House Bill 1319 (in its current form) ACCEPTABLE as follows:

15.1 - 27 - 04.2. State aid - Minimum local effort - Determination. If a district's taxable valuation per student is less than forty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1 - 27 - 04.1, shall utilize an amount equal to seventy mills times **TWENTY PERCENT** of the state average valuation per student multiplied by the number of weighted student units in the district.

The only amendment proposed in the education funding formula is rather than using "70 mills times the state average valuation per student", that "70 mills times 20% of the state average valuation per student" be used instead.

Thanks.

Duane Poitra,
Business Manager
Belcourt School District #7
PO Box 440
Belcourt, ND 5816
701-477-6471 Ext. 213

HB 1319 CROSSOVER AMENDMENT PROPOSAL

Proposal affects 11 School Districts with a taxable valuation that is less than 40% of the state average valuation per student.

HB1319: 15.1 - 27 - 04.2. State aid - Minimum local effort - Determination . If a district's taxable valuation per student is less than forty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1 - 27 - 04.1, shall utilize an amount equal to fifty seventy mills times 20% of the state average valuation per student multiplied by the number of weighted student units in the district .

		Cost of this Proposal:			\$ 7,048,648					
		Mill Deduct @:			70					
		% of Average Taxable Valuation per WSU:			20%					
		2011-12 Weighted ADM	FY13 State Aid Per Stdnt	FY13 Total State Aid Amount	FY14 Calculated State Aid Amt	FY14 Calculated Increase	Estimated 2012-13 ADM	Estimated 2013-14 Per Stdnt State Aid	Incr/Decr Per Pupil fr FY2013	% incrs on per pupil
40-007	Belcourt w/OIS	1,807.00	4,909	8,870,163	11,208,425	2,338,262	2210.57	\$ 5,070	\$ 162	3.29%
40-001	Dunseith	656.14	5,067	3,324,614	3,960,798	636,183	706.47	\$ 5,606	\$ 540	10.65%
43-004	Ft Yates	390.00	4,922	1,919,514	1,968,272	48,758	390.29	\$ 5,043	\$ 121	2.46%
27-036	Mandaree	254.25	4,360	1,108,614	1,367,802	259,188	235.70	\$ 5,803	\$ 1,443	33.09%
03-005	Minnewaukan	340.12	5,551	1,888,171	2,182,956	294,785	348.50	\$ 6,264	\$ 712	12.83%
43-003	Solen	255.79	5,631	1,440,376	1,516,681	76,305	235.70	\$ 6,435	\$ 804	14.27%
40-003	St John	423.02	5,001	2,115,526	2,440,696	325,170	445.57	\$ 5,478	\$ 477	9.53%
03-029	Warwick	357.98	5,015	1,795,092	1,977,877	182,786	356.48	\$ 5,548	\$ 534	10.65%
03-030	Ft Totten	191.79	4,710	903,338	1,127,389	224,051	228.06	\$ 4,943	\$ 233	4.95%
13-037	Twin Buttes - W/EFB Offset	52.26	3,848	201,120	194,116	(7,005)	57.53	\$ 3,374	\$ (474)	-12.32%
28-085	White Shield	177.99	4,908	873,502	1,015,583	142,082	185.69	\$ 5,469	\$ 562	11.44%
					\$ 28,960,595	\$ 4,520,564				

Twin Buttes has an Excess Fund Balance Offset issue not faced by other schools - Meaning it is estimated their ending fund balance will exceed 45% of their General Fund Expenditures plus \$20,000. When this happens, the excess is deducted from their State payment. The DPI estimate is their General Funding Ending balance will end up at \$919,399.83, which is \$45,307.18 more than 45% of their estimated General fund expenditures of \$1,897,983.67 plus \$20,000; so, the \$45,307.18 would be deducted from their State formula payment. If their was no General Fund Excess Balance Offset estimated, payment would be estimated as follows:

13-037	Twin Buttes - W/EFB Offset	52.26	3,848	201,120	239,423	38,302	57.53	\$ 4,162	\$ 313	8.14%
		Mill Deduct @:			70					
		% of Ave TxBs per WSU:			100%					
				FY13 Amount	FY14 Calculated State Aid Amt	FY14 Increase				
40-007	Belcourt w/OIS			8,870,163	8,296,679	(573,484)				
40-001	Dunseith			3,324,614	3,030,235	(294,380)				
43-004	Ft Yates			1,919,514	1,454,189	(465,326)				
27-036	Mandaree			1,108,614	984,977	(123,636)				
03-005	Minnewaukan			1,888,171	1,788,253	(99,918)				
43-003	Solen			1,440,376	1,254,327	(186,049)				
40-003	St John			2,115,526	1,853,788	(261,738)				
03-029	Warwick			1,795,092	1,533,307	(261,785)				
03-030	Ft Totten			903,338	827,001	(76,337)				
13-037	Twin Buttes			201,120	118,297	(82,823)				
28-085	White Shield			873,502	770,894	(102,608)				
					\$ 21,911,947	\$ (2,528,084)				

#1

March 20, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 15, line 10, after "facility" insert ", and tuition received for adult farm management programs reported under code 1350"

Renumber accordingly

#1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

Page 1, line 5, after "15.1-02-02" insert ", 15.1-07-32,"

Page 1, line 6, after "instruction" insert ", performance strategists,"

Page 10, after line 27, insert:

"SECTION 22. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

Beginning with the 2010-11 school year, each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~:

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement; and serve
2. Serve as a tutor or an instructional coach."

Page 12, line 23, replace "22" with "23"

Renumber accordingly

March 22, 2013

#2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 16, line 23, after "district" insert ", however, after 2013 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 section by more than twelve percent"

Page 31, line 28, after the underscored period insert "For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates."

Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, 2013"

Page 40, line 26, replace "2013" with "2015"

Renumber accordingly

#3

March 25, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO 1319.

Page 40, line 26, replace "2013" with "2015"

Renumber accordingly

March 14, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 40, after line 17, insert:

"SECTION 35. APPROPRIATION - TECHNOLOGY SECTOR CERTIFICATE PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. a. For the 2013-14 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision a of subsection 3 of section 15.1-27-04.1 by the number of students enrolled in the program, up to a maximum of thirty students.
- b. For the 2014-15 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students enrolled in the program, up to a maximum of thirty students.
2. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation."

Renumber accordingly

13.0278.04013
Title.

Prepared by the Legislative Council staff for
Senator Heckaman

March 22, 2013

#2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 19, line 25, replace "twenty-seven" with "thirty-two"

Page 19, line 26, overstrike "five hundred"

Renumber accordingly

#3

March 25, 2013
Senator Poolman

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO 1319.

Page 40, line 2, after "education" insert ", including the effectiveness of teacher, and principal, evaluation systems"

and superintendents

Renumber accordingly

Flakoll, Tim

From: Paul Stremick <Paul.Stremick@sendit.nodak.edu>
Sent: Monday, March 25, 2013 8:21 AM
To: Flakoll, Tim
Subject: Funding formula

Good morning, Senator Flakoll. I've been thinking about the question you asked about imputing oil and gas funds. I believe oil and gas **must** be treated the same as property tax. If property tax is going to be equalized at 100% so should minerals since the mineral tax is "in lieu" of property tax. I also understand they are trying to raise the amount that is directed to schools by more the three times.

Thanks you for your consideration. Paul

March 25, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 16, line 22, replace "seventy" with "fifty"

Page 17, line 4, replace "seventy" with "fifty"

Page 28, line 26, replace "fifteen" with "thirty-five"

Page 28, line 30, replace "forty" with "sixty"

Page 29, line 6, replace "eighty" with "sixty"

Page 31, line 24, replace "eighty" with "sixty"

Renumber accordingly

March 25, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 8, line 13, overstrike "0.079" and insert immediately thereafter "0.082"

Page 8, line 14, overstrike "the" and insert immediately thereafter ":

(1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and

(2) The"

Page 10, line 20, overstrike "the" and insert immediately thereafter ":

(1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and

(2) The"

Renumber accordingly

#1

March 26, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO1319.

Page 9, line 20, replace "0.50" with "0.20"

Renumber accordingly

March 22, 2013

H2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 16, line 23, after "district" insert ", however, after 2013 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 section by more than twelve percent"

Page 31, line 28, after the underscored period insert "For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates."

Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, 2013"

Page 40, line 26, replace "2013" with "2015"

Re-number accordingly

#3

Flakoll, Tim

From: Coleman, Jerry A.
Sent: Tuesday, March 26, 2013 7:23 AM
To: Flakoll, Tim
Subject: HB 1319 info requests
Attachments: Weighting Factors House Appropriations.pdf

1. Weighting Factors House Appropriations ... This schedule shows impact of the weighting factor and isolated school district factor changes (projected 2013-14).
2. Current formula imputation percentages
 - a. 1300 Tuition 70%
 - b. 2999 County 70%
 - c. US Flood 70%
 - d. REC Gross Receipts 70%
 - e. Mobile Home 100%
 - f. Telecommunications 100%
3. North Border reorganization bonus ... \$487,000 in 2005-2006.

Jerry Coleman
Director - School Finance
ND Department of Public Instruction
(701)-328-4051
jcoleman@nd.gov



State School Aid - Weighted Student Membership Report

North Dakota Department of Public Instruction

School Finance

Budget Projection

Weighting Factor Revisions - 2013-14 projected data v1.05

School Year 2013-2014

Status @ 2/18/2013

#1

Weighting Factor			After House Education Amendments				HB 1319 as introduced			
			0.1000							
			>275 Sq Miles, < 125 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units	>275 Sq Miles, < 100 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units
CoDist	Entity Name	Total ADM								
02-046	Litchville-Marion 46	110.00	11.00	131.70	1.3500	177.80	-	120.70	1.2500	150.88
42-019	McClusky 19	78.00	7.80	93.33	1.3500	126.00	7.80	93.33	1.2500	116.66
43-008	Selfridge 8	78.00	7.80	95.85	1.3500	129.40	7.80	95.85	1.2500	119.81
05-054	Newburg-United 54	62.00	6.20	74.01	1.3500	99.91	6.20	74.01	1.2500	92.51
07-014	Bowbells 14	62.00	6.20	74.57	1.3500	100.67	6.20	74.57	1.2500	93.21
07-036	Burke Central 36	118.00	11.80	140.75	1.3500	190.01	-	128.95	1.2500	161.19
08-028	Wing 28	109.00	10.90	131.31	1.3500	177.27	-	120.41	1.2500	150.51
10-019	Munich 19	89.00	8.90	106.69	1.3500	144.03	8.90	106.69	1.2500	133.36
13-019	Halliday 19	44.00	4.40	53.10	1.3500	71.69	4.40	53.10	1.2500	66.38
15-006	Hazelton-Moffit-Braddock 6	89.00	8.90	107.23	1.3500	144.76	8.90	107.23	1.2500	134.04
23-007	Kulm 7	116.00	11.60	139.84	1.3500	188.78	-	128.24	1.2500	160.30
24-056	Gackle-Streeter 56	87.00	8.70	104.67	1.3500	141.30	8.70	104.67	1.2500	130.84
25-057	Drake 57	86.00	8.60	103.72	1.3500	140.02	8.60	103.72	1.2500	129.65
26-004	Zeeland 4	51.00	-	56.18	1.3500	75.84	-	56.18	1.2500	70.23
27-002	Alexander 2	122.00	12.20	145.87	1.3500	196.92	-	133.67	1.2500	167.09
28-085	White Shield 85	121.49	-	137.55	1.3500	185.69	-	137.55	1.2500	171.94
34-043	St Thomas 43	85.00	-	96.03	1.3500	129.64	-	96.03	1.2500	120.04
35-001	Wolford 1	40.00	-	44.08	1.3500	59.51	-	44.08	1.2500	55.10
36-002	Edmore 2	54.00	5.40	64.40	1.3500	86.94	5.40	64.40	1.2500	80.50
36-044	Starkweather 44	66.92	6.69	80.70	1.3500	108.95	6.69	80.70	1.2500	100.88
39-018	Fairmount 18	112.00	-	123.48	1.3500	166.70	-	123.48	1.2500	154.35
42-016	Goodrich 16	28.00	-	30.99	1.3500	41.84	-	30.99	1.2500	38.74
46-010	Hope 10	93.00	-	102.32	1.3500	138.13	-	102.32	1.2500	127.90
47-014	Montpelier 14	109.00	-	119.98	1.3500	161.97	-	119.98	1.2500	149.98
47-019	Kensal 19	33.00	-	36.40	1.3500	49.14	-	36.40	1.2500	45.50
50-005	Fordville-Lankin 5	47.00	-	51.56	1.3500	69.61	-	51.56	1.2500	64.45
26-009	Ashley 9	129.00	-	141.87	1.3400	190.11	-	141.87	1.2500	177.34
46-019	Finley-Sharon 19	128.00	-	140.78	1.3400	188.65	-	140.78	1.2500	175.98
05-017	Westhope 17	133.00	-	146.16	1.3300	194.39	-	146.16	1.2500	182.70
06-033	Scranton 33	132.00	-	144.77	1.3300	192.54	-	144.77	1.2500	180.96
19-049	Elgin-New Leipzig 49	134.00	-	148.38	1.3300	197.35	-	148.38	1.2500	185.48
51-016	Sawyer 16	131.00	-	144.05	1.3300	191.59	-	144.05	1.2500	180.06
20-007	Midkota 7	136.00	-	149.50	1.3201	197.35	-	149.50	1.2500	186.88
07-027	Powers Lake 27	139.00	-	152.44	1.3200	201.22	-	152.44	1.2500	190.55
53-099	Grenora 99	139.00	-	154.36	1.3200	203.76	-	154.36	1.2500	192.95
03-006	Leeds 6	143.28	-	157.89	1.3100	206.84	-	157.89	1.2500	197.36
03-030	Ft Totten 30	144.03	-	174.09	1.3100	228.06	-	174.09	1.2500	217.61
34-019	Drayton 19	142.00	-	156.04	1.3100	204.41	-	156.04	1.2500	195.05



State School Aid - Weighted Student Membership Report

North Dakota Department of Public Instruction

School Finance

Budget Projection

Weighting Factor Revisions - 2013-14 projected data v1.05

School Year 2013-2014

Status @ 2/18/2013

Weighting Factor			After House Education Amendments				HB 1319 as introduced			
			0.1000							
			>275 Sq Miles, < 125 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units	>275 Sq Miles, < 100 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units
CoDist	Entity Name	Total ADM								
52-025	Fessenden-Bowdon 25	141.13	-	155.69	1.3100	203.95	-	155.69	1.2500	194.61
47-010	Pingree-Buchanan 10	146.00	-	160.08	1.3010	208.26	-	160.08	1.2500	200.10
15-015	Strasburg 15	148.77	-	164.52	1.3000	213.88	-	164.52	1.2500	205.65
30-048	Glen Ullin 48	151.00	-	166.74	1.2913	215.31	-	166.74	1.2500	208.43
03-009	Maddock 9	157.67	-	173.42	1.2800	221.98	-	173.42	1.2500	216.78
47-003	Medina 3	157.00	-	173.52	1.2800	222.11	-	173.52	1.2500	216.90
40-029	Rolette 29	164.00	-	180.87	1.2700	229.70	-	180.87	1.2500	226.09
43-003	Solen 3	165.32	-	185.96	1.2675	235.70	-	185.96	1.2500	232.45
49-007	Hatton 7	171.00	-	189.30	1.2600	238.52	-	189.30	1.2500	236.63
39-028	Lidgerwood 28	176.00	-	194.24	1.2528	243.34	-	194.24	1.2500	242.80
03-016	Oberon 16	52.00	-	57.72	1.2500	72.15	-	57.72	1.2500	72.15
04-001	Billings Co 1	68.22	6.82	81.54	1.2500	101.93	6.82	81.54	1.2500	101.93
08-025	Naughton 25	4.00	-	4.35	1.2500	5.44	-	4.35	1.2500	5.44
08-033	Menoken 33	26.00	-	28.59	1.2500	35.74	-	28.59	1.2500	35.74
08-035	Sterling 35	33.00	-	36.31	1.2500	45.39	-	36.31	1.2500	45.39
08-039	Apple Creek 39	59.00	-	64.14	1.2500	80.18	-	64.14	1.2500	80.18
08-045	Manning 45	16.00	-	17.39	1.2500	21.74	-	17.39	1.2500	21.74
09-007	Mapleton 7	88.38	-	97.51	1.2500	121.89	-	97.51	1.2500	121.89
09-080	Page 80	88.00	-	96.67	1.2500	120.84	-	96.67	1.2500	120.84
13-037	Twin Buttes 37	40.84	-	46.02	1.2500	57.53	-	46.02	1.2500	57.53
15-010	Bakker 10	4.00	-	4.44	1.2500	5.55	-	4.44	1.2500	5.55
17-006	Lone Tree 6	29.42	-	32.32	1.2500	40.40	-	32.32	1.2500	40.40
18-127	Emerado 127	76.06	-	84.04	1.2500	105.05	-	84.04	1.2500	105.05
19-018	Roosevelt 18	103.00	10.30	123.53	1.2500	154.41	-	113.23	1.2500	141.54
22-014	Robinson 14	5.00	-	5.57	1.2500	6.96	-	5.57	1.2500	6.96
25-014	Anamoose 14	95.76	-	105.87	1.2500	132.34	-	105.87	1.2500	132.34
27-014	Yellowstone 14	101.00	-	116.14	1.2500	145.18	-	116.14	1.2500	145.18
27-018	Earl 18	10.00	-	10.82	1.2500	13.53	-	10.82	1.2500	13.53
27-032	Horse Creek 32	3.00	-	3.26	1.2500	4.08	-	3.26	1.2500	4.08
28-072	Turtle Lake-Mercer 72	177.00	-	195.39	1.2500	244.24	-	195.39	1.2500	244.24
30-004	Little Heart 4	15.00	-	16.31	1.2500	20.39	-	16.31	1.2500	20.39
30-017	Sweet Briar 17	13.00	-	14.14	1.2500	17.68	-	14.14	1.2500	17.68
34-118	Valley-Edinburg 118	218.00	-	240.27	1.2500	300.34	-	240.27	1.2500	300.34
37-006	Ft Ransom 6	26.00	-	28.43	1.2500	35.54	-	28.43	1.2500	35.54
44-012	Marmarth 12	13.00	1.30	15.84	1.2500	19.80	1.30	15.84	1.2500	19.80
44-032	Central Elementary 32	3.00	0.30	3.57	1.2500	4.46	0.30	3.57	1.2500	4.46
50-128	Adams 128	27.00	-	29.56	1.2500	36.95	-	29.56	1.2500	36.95
52-035	Pleasant Valley 35	6.00	-	6.67	1.2500	8.34	-	6.67	1.2500	8.34



State School Aid - Weighted Student Membership Report

North Dakota Department of Public Instruction

School Finance

Budget Projection

Weighting Factor Revisions - 2013-14 projected data v1.05

School Year 2013-2014

Status @ 2/18/2013

Weighting Factor			After House Education Amendments				HB 1319 as introduced			
			0.1000							
CoDist	Entity Name	Total ADM	>275 Sq Miles, < 125 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units	>275 Sq Miles, < 100 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units
21-009	New England 9	185.00	-	204.55	1.2499	255.67	-	204.55	1.2499	255.67
26-019	Wishek 19	198.00	-	218.13	1.2400	270.48	-	218.13	1.2400	270.48
30-013	Hebron 13	192.00	-	215.91	1.2400	267.73	-	215.91	1.2400	267.73
30-039	Flasher 39	198.00	-	219.81	1.2400	272.56	-	219.81	1.2400	272.56
32-066	Lakota 66	195.00	-	214.85	1.2400	266.41	-	214.85	1.2400	266.41
33-001	Center-Stanton 1	200.00	-	219.07	1.2400	271.65	-	219.07	1.2400	271.65
53-006	Eight Mile 6	191.00	-	210.30	1.2400	260.77	-	210.30	1.2400	260.77
18-125	Manvel 125	127.00	-	153.64	1.2302	189.01	-	153.64	1.2302	189.01
18-128	Midway 128	205.00	-	228.31	1.2300	280.82	-	228.31	1.2300	280.82
27-036	Mandaree 36	212.00	-	236.27	1.2300	290.61	-	236.27	1.2300	290.61
28-001	Wilton 1	206.00	-	225.13	1.2300	276.91	-	225.13	1.2300	276.91
28-008	Underwood 8	212.48	-	233.63	1.2300	287.36	-	233.63	1.2300	287.36
28-050	Max 50	212.00	-	232.60	1.2300	286.10	-	232.60	1.2300	286.10
39-042	Wyndmere 42	212.00	-	236.19	1.2300	290.51	-	236.19	1.2300	290.51
41-006	Sargent Central 6	211.00	-	231.60	1.2300	284.87	-	231.60	1.2300	284.87
23-003	Edgeley 3	218.77	-	242.03	1.2200	295.28	-	242.03	1.2200	295.28
41-002	Milnor 2	218.00	-	241.38	1.2200	294.48	-	241.38	1.2200	294.48
41-003	North Sargent 3	220.00	-	245.63	1.2200	299.67	-	245.63	1.2200	299.67
45-013	Belfield 13	227.31	-	250.04	1.2200	305.05	-	250.04	1.2200	305.05
50-020	Minto 20	230.84	-	256.05	1.2155	311.23	-	256.05	1.2155	311.23
49-003	Central Valley 3	231.00	-	252.83	1.2147	307.11	-	252.83	1.2147	307.11
09-004	Maple Valley 4	235.00	-	262.02	1.2100	317.04	-	262.02	1.2100	317.04
20-018	Griggs County Central 18	234.00	-	258.27	1.2100	312.51	-	258.27	1.2100	312.51
21-001	Mott-Regent 1	239.00	-	262.12	1.2100	317.17	-	262.12	1.2100	317.17
40-004	Mt Pleasant 4	232.00	-	254.98	1.2100	308.53	-	254.98	1.2100	308.53
48-010	North Star 10	264.66	-	299.83	1.2074	362.01	-	299.83	1.2074	362.01
45-009	South Heart 9	246.00	-	270.34	1.2050	325.76	-	270.34	1.2050	325.76
18-129	Northwood 129	248.15	-	274.22	1.2000	329.06	-	274.22	1.2000	329.06
32-001	Dakota Prairie 1	248.28	-	274.67	1.2000	329.60	-	274.67	1.2000	329.60
03-005	Minnewaukan 5	261.22	-	291.78	1.1944	348.50	-	291.78	1.1944	348.50
03-029	Warwick 29	269.33	-	299.56	1.1900	356.48	-	299.56	1.1900	356.48
24-002	Napoleon 2	268.00	-	293.10	1.1900	348.79	-	293.10	1.1900	348.79
31-003	Parshall 3	266.00	-	292.31	1.1900	347.85	-	292.31	1.1900	347.85
38-026	Glenburn 26	270.00	-	296.64	1.1900	353.00	-	296.64	1.1900	353.00
39-044	Richland 44	264.00	-	293.33	1.1900	349.06	-	293.33	1.1900	349.06
53-002	Nesson 2	275.00	-	301.59	1.1800	355.88	-	301.59	1.1800	355.88
45-034	Richardton-Taylor 34	275.77	-	305.06	1.1767	358.96	-	305.06	1.1767	358.96
02-007	Barnes County North 7	275.00	-	304.44	1.1700	356.19	-	304.44	1.1700	356.19



State School Aid - Weighted Student Membership Report

North Dakota Department of Public Instruction

School Finance

Budget Projection

Weighting Factor Revisions - 2013-14 projected data v1.05

School Year 2013-2014

Status @ 2/18/2013

Weighting Factor			After House Education Amendments				HB 1319 as introduced			
			0.1000							
CoDist	Entity Name	Total ADM	>275 Sq Miles, < 125 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units	>275 Sq Miles, < 100 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units
51-070	South Prairie 70	199.00	-	218.26	1.1700	255.36	-	218.26	1.1700	255.36
39-008	Hankinson 8	281.72	-	311.32	1.1628	362.00	-	311.32	1.1628	362.00
01-013	Hettinger 13	282.89	-	318.55	1.1600	369.52	-	318.55	1.1600	369.52
17-003	Beach 3	284.86	-	314.81	1.1600	365.18	-	314.81	1.1600	365.18
28-004	Washburn 4	283.92	-	313.45	1.1600	363.60	-	313.45	1.1600	363.60
51-028	Kenmare 28	295.00	-	327.92	1.1400	373.83	-	327.92	1.1400	373.83
43-004	Ft Yates 4	297.27	-	344.99	1.1313	390.29	-	344.99	1.1313	390.29
15-036	Linton 36	304.72	-	341.42	1.1200	382.39	-	341.42	1.1200	382.39
37-024	Enderlin Area 24	306.41	-	339.60	1.1100	376.96	-	339.60	1.1100	376.96
22-001	Kidder County 1	365.00	-	401.69	1.1056	444.11	-	401.69	1.1056	444.11
23-008	LaMoure 8	319.35	-	355.15	1.1000	390.67	-	355.15	1.1000	390.67
11-040	Ellendale 40	322.83	-	358.18	1.0903	390.52	-	358.18	1.0903	390.52
30-049	New Salem - Almont 49	333.00	-	364.61	1.0900	397.42	-	364.61	1.0900	397.42
10-023	Langdon Area 23	346.42	-	383.25	1.0800	413.91	-	383.25	1.0800	413.91
12-001	Divide County 1	350.00	-	386.41	1.0800	417.32	-	386.41	1.0800	417.32
14-002	New Rockford-Sheyenne 2	340.00	-	373.04	1.0800	402.88	-	373.04	1.0800	402.88
25-060	TGU 60	341.12	-	376.59	1.0800	406.72	-	376.59	1.0800	406.72
38-001	Mohall-Lansford-Sherwood 1	339.61	-	377.03	1.0800	407.19	-	377.03	1.0800	407.19
28-051	Garrison 51	375.46	-	418.69	1.0500	439.62	-	418.69	1.0500	439.62
40-003	St John 3	381.93	-	426.51	1.0447	445.57	-	426.51	1.0447	445.57
51-041	Surrey 41	389.38	-	426.35	1.0400	443.40	-	426.35	1.0400	443.40
25-001	Velva 1	393.14	-	432.40	1.0317	446.11	-	432.40	1.0317	446.11
13-016	Killdeer 16	393.22	-	431.48	1.0315	445.07	-	431.48	1.0315	445.07
51-161	Lewis and Clark 161	397.00	-	435.23	1.0300	448.29	-	435.23	1.0300	448.29
53-015	Tioga 15	396.00	-	433.78	1.0300	446.79	-	433.78	1.0300	446.79
06-001	Bowman County 1	469.12	-	517.08	1.0200	527.42	-	517.08	1.0200	527.42
09-097	Northern Cass 97	563.56	-	623.46	1.0200	635.93	-	623.46	1.0200	635.93
11-041	Oakes 41	504.00	-	550.76	1.0200	561.78	-	550.76	1.0200	561.78
16-049	Carrington 49	544.99	-	598.39	1.0200	610.36	-	598.39	1.0200	610.36
18-044	Larimore 44	412.44	-	455.32	1.0200	464.43	-	455.32	1.0200	464.43
18-061	Thompson 61	430.00	-	471.94	1.0200	481.38	-	471.94	1.0200	481.38
29-003	Hazen 3	590.84	-	651.96	1.0200	665.00	-	651.96	1.0200	665.00
34-006	Cavalier 6	415.77	-	461.53	1.0200	470.76	-	461.53	1.0200	470.76
34-100	North Border 100	442.14	-	494.75	1.0200	504.65	-	494.75	1.0200	504.65
35-005	Rugby 5	543.00	-	597.91	1.0200	609.87	-	597.91	1.0200	609.87
49-009	Hillsboro 9	431.00	-	474.42	1.0200	483.91	-	474.42	1.0200	483.91
49-014	May-Port CG 14	501.67	-	553.35	1.0200	564.42	-	553.35	1.0200	564.42
50-078	Park River 78	411.37	-	454.03	1.0200	463.11	-	454.03	1.0200	463.11



State School Aid - Weighted Student Membership Report

North Dakota Department of Public Instruction

School Finance

Budget Projection

Weighting Factor Revisions - 2013-14 projected data v1.05

School Year 2013-2014

Status @ 2/18/2013

Weighting Factor			After House Education Amendments				HB 1319 as introduced			
			0.1000							
CoDist	Entity Name	Total ADM	>275 Sq Miles, < 125 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units	>275 Sq Miles, < 100 ADM	Total Weighted ADM	School Size Factor	Total Weighted Student Units
51-007	United 7	583.39	-	641.21	1.0200	654.03	-	641.21	1.0200	654.03
52-038	Harvey 38	407.19	-	446.97	1.0200	455.91	-	446.97	1.0200	455.91
31-002	Stanley 2	601.00	-	660.22	1.0183	672.30	-	660.22	1.0183	672.30
05-001	Bottineau 1	618.37	-	692.54	1.0100	699.47	-	692.54	1.0100	699.47
09-002	Kindred 2	680.40	-	744.71	1.0100	752.16	-	744.71	1.0100	752.16
09-017	Central Cass 17	792.14	-	876.33	1.0100	885.09	-	876.33	1.0100	885.09
27-001	McKenzie Co 1	859.00	-	940.05	1.0100	949.45	-	940.05	1.0100	949.45
29-027	Beulah 27	701.91	-	772.29	1.0100	780.01	-	772.29	1.0100	780.01
31-001	New Town 1	749.30	-	833.37	1.0100	841.70	-	833.37	1.0100	841.70
37-019	Lisbon 19	609.66	-	682.79	1.0100	689.62	-	682.79	1.0100	689.62
40-001	Dunseith 1	624.23	-	699.48	1.0100	706.47	-	699.48	1.0100	706.47
50-003	Grafton 3	890.71	-	1,026.50	1.0100	1,036.77	-	1,026.50	1.0100	1,036.77
08-001	Bismarck 1	11,432.79	-	12,885.72	1.0000	12,885.72	-	12,885.72	1.0000	12,885.72
09-001	Fargo 1	11,020.16	-	12,316.95	1.0000	12,316.95	-	12,316.95	1.0000	12,316.95
09-006	West Fargo 6	8,067.23	-	9,003.66	1.0000	9,003.66	-	9,003.66	1.0000	9,003.66
18-001	Grand Forks 1	7,068.03	-	7,966.17	1.0000	7,966.17	-	7,966.17	1.0000	7,966.17
30-001	Mandan 1	3,385.74	-	3,782.11	1.0000	3,782.11	-	3,782.11	1.0000	3,782.11
36-001	Devils Lake 1	1,656.62	-	1,841.76	1.0000	1,841.76	-	1,841.76	1.0000	1,841.76
02-002	Valley City 2	1,109.58	-	1,233.42	1.0000	1,233.42	-	1,233.42	1.0000	1,233.42
39-037	Wahpeton 37	1,232.66	-	1,374.07	1.0000	1,374.07	-	1,374.07	1.0000	1,374.07
40-007	Belcourt 7	1,981.24	-	2,210.57	1.0000	2,210.57	-	2,210.57	1.0000	2,210.57
45-001	Dickinson 1	2,877.68	-	3,195.44	1.0000	3,195.44	-	3,195.44	1.0000	3,195.44
47-001	Jamestown 1	2,130.82	-	2,384.96	1.0000	2,384.96	-	2,384.96	1.0000	2,384.96
51-001	Minot 1	7,311.24	-	8,153.17	1.0000	8,153.17	-	8,153.17	1.0000	8,153.17
51-004	Nedrose 4	254.00	-	279.53	1.0000	279.53	-	279.53	1.0000	279.53
53-001	Williston 1	2,851.33	-	3,166.20	1.0000	3,166.20	-	3,166.20	1.0000	3,166.20
53-008	New 8	265.48	-	291.47	1.0000	291.47	-	291.47	1.0000	291.47
Statewide Total		100,714.15	155.81	112,386.87		117,806.20	88.01	112,319.07		117,291.19

March 22, 2013

1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 1, line 5, after the first comma insert "15.1-27-35.3,"

Page 19, after line 16, insert:

"**SECTION 15. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1.
 - a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
 - b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
 - c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program."

Page 40, line 25, replace "15" with "16"

Page 40, line 25, replace "19" with "20"

Page 40, line 25, replace "31" with "32"

Page 40, line 26, replace "2013" with "2015"

Page 40, line 27, replace "18" with "19"

Page 40, line 27, replace "20" with "21"

Page 40, line 27, replace "28" with "29"

Renumber accordingly

March 26, 2013

H2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 14, line 30, remove "seventy-five percent of all"

Page 15, line 1, replace "Mineral" with "Seventy-five percent of all"

Page 15, line 5, replace "Tuition" with "Seventy-five percent of all tuition"

Page 15, line 11, replace "Revenue" with "Seventy-five percent of all revenue"

Page 15, line 13, replace "Revenue" with "Seventy-five percent of all revenue"

Page 15, line 15, replace "Revenue" with "All revenue"

Page 15, line 16, replace "Revenue" with "Seventy-five percent of all revenue"

Page 15, line 19, replace "Telecommunications" with "All telecommunications"

Page 15, line 20, replace "Revenue" with "All revenue"

Page 16, line 25, replace "8" with "4, and 6"

Page 16, line 25, after "subsection 1" insert "and one hundred percent of all revenues listed in paragraphs 5, 7, and 8 of subdivision f of subsection 1"

Renumber accordingly



State of North Dakota
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

#1

March 27, 2013

Sen. Schaible,

As I said when we spoke yesterday, the State Treasurer's Office will likely begin distributing the Gross Production Tax to school districts when the provisions of HB 1358 go into effect. Because of this section 19 of HB 1319, the education funding bill, will require amendments to place the duty of withholding from a school district's allocation of Gross Production Tax with the State Treasurer rather than the County Treasurer. We will also require an appropriation to program our tax distribution system to perform these loan payment withholdings. The estimate we received from ITD to complete the changes to our system is \$19,358. We ask that this appropriation of funding be amended into HB 1319 as well. This will ensure funding for this one time project, and if the project is completed under budget the remaining funds will be turned back to the General Fund at the end of the biennium.

Proposed amendments to accomplish this are as follows:

- Page 23, line 1, after "lands" insert "and the state treasurer"
- Page 23, line 9, replace "county treasurer" with "state treasurer"
- Page 23, line 10, after "amount" insert a comma
- Page 23, line 12, remove ". The county treasurer shall transfer any"
- Page 23, remove line 13
- Page 23, line 14, replace "shall" with ", and"

Shown in context the changes to line 1 will read:

university and school lands and the state treasurer its evidence of indebtedness indicating that the loan

Shown in context the changes to subdivision c of subsection 9 will read:

- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the ~~county treasurer~~ state treasurer withhold the dollar amount, or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations in order to repay the principal and interest of the evidence of indebtedness. ~~The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer. The state treasurer shall, and deposit the amount withheld into the fund from which the loan originated.~~

Please contact me with any questions or comments about these proposed amendments.

Sincerely,

Jeb Oehlke,
Deputy State Treasurer

#2

March 27, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1319

Page 10, line 12, remove "twenty-five"

Renumber accordingly

#3

March 27, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 22, line 27, after "lands" insert "and the state treasurer"

Page 23, line 5, replace "county treasurer" with "state treasurer"

Page 23, line 6, after "amount" insert a comma

Page 23, line 8, remove ". The county treasurer shall transfer any"

Page 23, remove line 9

Page 23, line 10, replace "shall" with " , and"

Renumber accordingly

March 26, 2013

#4

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 8, line 27, after the ending bracket insert "provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law"

Page 11, line 2, after the ending bracket insert "provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law"

Renumber accordingly

HS

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 40, after line 17, insert:

"SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$780,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapidly declining enrollment, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. A district is eligible to receive a grant under this section if the number of students reflected in the district's September tenth enrollment report:
 - a. Represents a decrease of at least ten in the number of students in average daily membership; and
 - b. Represents a decrease in students equal to at least three percent.
2. In order to calculate the amount to which an eligible district is entitled, the superintendent of public instruction shall:
 - a. Determine the actual percentage decrease in the number of students;
 - b. Subtract 2.0 from the percentage established under subdivision a;
 - c. Determine the number of students represented by the difference determined under subdivision b; and
 - d. Multiply the number of students determined under subdivision c by \$3,900.
3. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
4. The superintendent of public instruction may not expend more than \$390,000 in grants under this section during the first year of the biennium.
5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section."

Renumber accordingly

NDLA, S EDU - Grossman, Tiffany

From: Flakoll, Tim
Sent: Thursday, March 28, 2013 8:19 AM
To: NDLA, S EDU - Grossman, Tiffany
Subject: FW: Quick question

Please add this to the file on HB 1319

Senator Tim Flakoll

Tim Flakoll

District 44

Chairman, Senate Education Committee

Transportation Committee

From: Coleman, Jerry A.
Sent: Wednesday, March 27, 2013 1:36 PM
To: Flakoll, Tim
Subject: RE: Quick question

October 2012

Free – 27,382
Reduce – 7,072
Total – 107,030
Percent – 32.19%

Source: DPI Child Nutrition and Food Distribution Programs

From: Flakoll, Tim
Sent: Wednesday, March 27, 2013 12:49 PM
To: Coleman, Jerry A.
Subject: Quick question

How many kids on free and reduced during the most recent reporting period (statewide).

Senator Tim Flakoll

Tim Flakoll

District 44

Chairman, Senate Education Committee

Transportation Committee

March 29, 2013

#1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

SECTION 2. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.

4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.

22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 3. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.

4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 4. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations applicable to the property under chapter 57-15. The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 5. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

1. ~~The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:~~
 - a. ~~To purchase, exchange, lease, or improve sites for schools.~~
 - b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
 - c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
 - d. ~~To provide fuel.~~
 - e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
 - f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~
2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the~~

~~qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements of limitations of this title and title 57.~~

SECTION 6. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to~~may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall ~~cause~~certify the rate for each purpose ~~to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~The city auditor ~~to~~shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~make an assessment roll and tax list ~~to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.~~

SECTION 7. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected.~~

SECTION 8. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-22-01. Kindergarten - Establishment by board - Request by parent-Levy.

4. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.

2. ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 9. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015) Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and

- (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.0790~~.082 the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or

- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.500~~ 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;

- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the:
 - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
 - (2) The provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or

- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 10. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
 - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
 - g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
 - h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
 - i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
 - j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
 - k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
 - ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;

- e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- t-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

- w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 11. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;
 - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - e. An amount equal to that raised by the district's 2012 alternative education program levy; and

f. An amount equal to:

- (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;
 - (3) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (5) All revenue received by the school district from mobile home taxes;
 - (6) Seventy-five percent of all revenue received by the school district 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);
 - (7) All telecommunications tax revenue received by the school district; and
 - (8) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.

- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
 - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;
or
 - (b) One hundred percent of the district's baseline funding as established in subsection 1.
 - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
- 4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
 - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and
 - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 4, and 6 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 5, 7, and 8 of subdivision f of subsection 1.
- 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.

SECTION 12. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 13. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any~~ any school district that reorganizes on or after July 1, 2007.
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 14. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1.
 - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty.~~
 - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~

~~(2)~~ One hundred eighty-one.

- e. ~~Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:

~~(1)~~a. The school district's calendar; or

~~(2)~~b. One hundred eighty-two.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

- a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
- b. The two days set aside for professional development activities under section 15.1-06-04; and
- c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

3. For purposes of calculating average daily membership:

- a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
- b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
- c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 15. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

- 1. a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.

c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

SECTION 16. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

~~1. Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~

2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 17. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

2. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 18. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 19. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 20. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. Two hundred million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or ~~eighty~~ ninety percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ four hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 5.4. If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or ~~seventy~~ eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~ three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 6.5. If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~four~~ ten million dollars or ~~thirty~~ seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 7.6. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8.7. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9.8. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless

of any rate discount for which the district might otherwise qualify under this section.

10. ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
- 11.10. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 21. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed

thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to ~~subdivision q of subsection 1 of~~ using the proceeds of levies, as permitted by section 57-15-14.2.

SECTION 22. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 23. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of

amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;

- b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant

under section 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 state aid under chapter 15.1-27 for the budget year.

- e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 state aid under chapter 15.1-27 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 24. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations Voter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 2. b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
 3. c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
 4. d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
 - e. For taxable years beginning after 2012:
 - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred thirty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by sixty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.

5.
 - f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2.
 - a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~No fewer than twenty-five signatures are required. ~~However, the~~
 - b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
 - c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 25. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account~~School district levies.~~

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
 - ~~a. Board and lodging for high school students as provided in section 15.1-30-04.~~
 - ~~b. The teachers' retirement fund as provided in section 15-39.1-28.~~
 - ~~c. Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
 - ~~d. Special education program as provided in section 15.1-32-20.~~
 - ~~e. The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
 - ~~f. A final judgment obtained against a school district.~~
 - ~~g. The district's share of contribution to the old age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
 - ~~h. The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school~~

~~building construction shall apply to any rented or leased buildings, property, or classroom space.~~

- ~~i. Unemployment compensation benefits.~~
 - ~~j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
 - ~~k. Participating in cooperative career and technical education programs approved by the state board.~~
 - ~~l. Maintaining a career and technical education program approved by the state board and established only for that school district.~~
 - ~~m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
 - ~~n. Establishing and maintaining school library services.~~
 - ~~o. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
 - ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
 - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
 - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15-1-09-40.~~
- ~~2. This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
- ~~3. All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15-1-27 may not be transferred to the building fund within the school district.~~

1. The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund. For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by the sum of the 2012 mills levied for the district's general fund, high school tuition, and high school transportation.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before January 1, 2013.

SECTION 26. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy—~~Voter approval.~~

1. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be~~

~~used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~

3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 27. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings and facilities, ~~or additions to old;~~
 - (2) ~~The renovation, repair, or expansion of school district buildings and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.~~
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (2)(5) The payment of rentals upon contracts with the state board of public school education;
 - (3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57;
 - (4) ~~Within the limitations of school plans as provided in subsection 2 of section 57-15-16;~~ and
 - (5)(7) The payment of principal, premium, if any premiums, and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.

- (6) ~~The payment of premiums for fire and allied lines, liability, and multiple-peril insurance on any building and its use, occupancy, fixtures, and contents.~~
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
- 2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
- 3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
- 4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 28. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies—Multiyear mercury and hazardous substance abatement or removal—Required remodeling—Alternative education programs—Heating, ventilation, and air-conditioning systemsDiscontinuation of special funds - Required transfers.

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

- b. ~~Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;~~
 - c. ~~Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;~~
 - d. ~~Providing alternative education programs; and~~
 - e. ~~Providing funds for the repair, replacement, or modification of any heating, ventilation, or air conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air conditioning engineers, incorporated standards.~~
2. ~~All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.~~
 3. ~~All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.~~
 4. ~~All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.~~
 5. ~~All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.~~
 6. Any ~~On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys remaining in the required remodeling fund after completion of the remodeling projects, any funds, any moneys remaining in the alternative education program fund at the termination of the program, and any funds~~ moneys ~~remaining in the heating, ventilation, and air conditioning upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 29. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 30. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed that which could be produced by a levy of the maximum mill ~~levy~~ number of mills allowed by law in that district for that year.

SECTION 31. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered

building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board,~~

2. ~~Annually, the board of the school district shall transfer to the school district general fund any part or all of the investment income and interest earned by the principal amount of the school district's of the special reserve fund.~~
3. ~~On July 1, 2013, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.~~

SECTION 32. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such the special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 33. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.

4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the
 - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
 - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota

students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.

4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 36. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. For the 2014-15 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
2. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.

SECTION 37. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 38. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 39. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 40. EXPIRATION DATE. Sections 10 through 12, 15, 16, 20, and 31 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 41. EFFECTIVE DATE - EXPIRATION DATE. Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

1
HB 1319
4-4-13

House Bill 1319 Testimony
Submitted By: Governor Dalrymple to Senate Appropriations

Senate Appropriations Committee
Thursday, April 4, 2013

Status of HB 1319

First of all, the Governor's Office is fully in support of HB 1319 as it left the Senate Education committee.

Funding Formula Framework as Introduced

The main principle of HB 1319, the 2013 K-12 education bill, is that every student in elementary and secondary education in North Dakota should have an established base of financial support behind them necessary to provide a good, solid education. This base amount is often referred to in court cases as the "adequate" amount of financial backing, but in reality it is much more than adequate because it includes every element of a K-12 education including support services and other non-education activities. Therefore, the first step in the legislation is to make available **\$8,810** to every student [weighted student unit] in North Dakota in year one of the biennium and **\$9,092** to every weighted student unit in year two as the minimum amount of funding needed for an education. These figures are based on a study completed by a team of national experts on school finance in 2008. The so-called "Picus" study was completed by Lawrence Picus, Allan Odden and Michael Goetz who were and perhaps still are the most recognized authorities on school funding in the nation. In order to bring this amount up to today's cost, an inflationary adjustment of 21 percent has been added based on the official annual "cost-of-living" adjustments established by the U.S. Bureau of Labor Statistics—the CPI-All Items index and CPI-Education index.

This financing target for each student (weighted student unit) is achieved by first adding together the sources of income to the school district. For the purposes of this calculation only, the formula assumes that every school district in the state should be willing to levy 50 mills on its patrons' property for education purposes and that amount is established based on the most recent certified taxable valuations. The school district is not actually required to levy 50 mills but the formula assumes it is willing and able to do. The next step is to add 75 percent of the school district's other income from all sources other than property tax. These sources are stated in the bill and include mineral income, mobile home taxes, and "in lieu" tax payments.

The third step in the process is for the state to fund the remaining share of the established financial target that is not provided by a 50 mill levy and by 75 percent of the district's outside income. Keep in mind, that 25 percent of a school district's outside income is still left out of all formula calculations. This guaranteed funding provides full equity and eliminates the need for a separate partial equity payment. It also eliminates the need for any high valuation offset.

There are several remaining features to the proposed formula changes that are advantageous to school districts over the current formula. One advantage is that the mill levy buydown program ceases to exist, and the process whereby districts needed to reduce their general fund levies all the way down to 110 mills with no opportunity to add mills back would no longer be in effect. Instead, each district would have full authority at the school board level to add up to 10 mills to their general education levy above the

50 mill level that the formula assumes will be levied. This is in effect an increase in board levy authority of 10 mills.

Another new feature for school districts is the opportunity to combine a number of dedicated and seldom used mill levy authorities into one flexible, additional authority to levy up to 12 mills by board action for any local district contingency expenses beyond those included in the formula for "adequate" support services. These expenses could include funds for transportation, technology enhancements, unexpected maintenance, or any other purpose.

All other levy authorities having to do with building, remodeling, and sinking and interest funds would remain unchanged. Districts would retain their right to create a reserve fund through the statutory three mill levy for that purpose, which requires a vote of the electors. If a school district decides for any reason that additional mills are needed, it may as always ask the electors of the district for approval by a simple majority.

Because the mill levy buydown program is ended there is no longer any variability in the amount of property tax relief caused by the connection to a school district's historic mill levies. Therefore the amount of property tax relief is equitable because the number of general fund mills levied will be relatively consistent with neighboring school districts and in fact all districts statewide. One other benefit is the fact that the property tax relief is fixed and does not lead to an automatic cost increase to the state. This allows new appropriations to be directed toward increased education funding.

As with any funding formula change, there is a need to provide safeguards to assure that the transition to the new formula is not disruptive. For districts with rapidly growing property valuations or rapidly growing outside income, there might be a concern that the state's share of the total funding would suddenly go down. However, this cannot happen because the bill contains a provision that the state's payment to the district on a per weighted student unit basis must be no less than 102 percent of the adjusted 2012-2013 payment in 2013-2014 and no less than 104 percent of the current payment in 2014-2015.

By the same token the few districts that might experience a windfall from the formula change are limited to a 10 percent gain in year one and an additional 10 percent gain in year two in order to smooth the transition's effects.

House & Senate Changes

One of the most substantial changes the House of Representatives made to the HB 1319 was to hold every school harmless to the total state and local dollars they received in 2012. As originally introduced, only the state portion of the dollars was held harmless. This was a critical step in the right direction to achieve consensus amongst the school districts. An unintended consequence of this amendment was a calculation oversight for our school districts on reservations that have little to no property tax collected. The Senate Education committee was able to work through this calculation and adjust section twelve to assume if the state valuation per student is less than twenty percent of the state average valuation per student, the assumption of local effort contributed will be fifty mills times twenty percent of the state average valuation per student. This has commonly been referred to as the 20/20 amendment. This did add \$14.8 million dollars to the bill, however the Governor's Office believes the solution is reasonable and is a necessary addition to the bill.

The House of Representatives surprisingly decided to reduce the amount of property tax relief by \$120 million. This change assumed the schools would levy 70 mills instead of 50 mills in the bill as introduced, and many schools were left with fewer total dollars to work with. The Senate Education committee unanimously approved changing the assumed mills back to 50 mills as originally introduced. This was a positive change in total school funding and property tax relief. Property tax relief through the

school district is fair and is the best method for the tax payer to see and understand. Work continues on a required statement on every property tax invoice stating the total dollars saved.

The House of Representatives made many positive changes for small schools that may be experiencing declining enrollment. The enrollment requirement to qualify for the small and isolated school factor was raised from 100 students to 125 students. The Senate Education committee reversed this amendment, lowering back to 100 students for qualification of the factor. The House also provided amendments to enhance the school size factor scale which added \$7.5 million dollars to the bill. This amendment was upheld in the Senate Education committee. The Governor's Office believes these factors are important to our small schools and deserve support for the sake of balance.

The remainder of the changes to HB 1319 that were made by the Senate Education committee can be considered policy enhancements of the final product to reflect the wishes of the committee.

Conclusions

Overall North Dakota has made great progress over the last six years in achieving school funding equity, school funding adequacy, and significant property tax relief delivered through the school funding formula. The 2013 school funding legislation is our opportunity to finish these achievements and make property tax reform permanent.

Kulm Public School

4-4-13 HB 1319

#2

High School Principal
Derrick Bopp
Elementary Principal
Tami Kramlich
Business Manager
Amy Kinzler

Thomas G. Nitschke-Superintendent
217 2nd Ave SE
PO Box G
Kulm, ND 58456
Email: tonitsch@kulm.k12.nd.us
Phone: 701-647-2303 Fax: 701-647-2304

Board of Education
Mark Elhard-President
Wayne Kusler-Vice President
Aaron Kramlich
Dawn Hahne
Heidi Entzi

2 April, 2013

Members of the Senator Appropriations Committee;

I would like to express some concerns I have with an amendment the Senate Education Committee made to HB 1319. Changing the small isolated number back to the original 100 students creates a hole for schools caught in between 100 and 125. For example, if Kulm was at **110 students**, we would literally receive less money than if we were at **99 students**. I understand the line has to be somewhere, but that somewhere should be 125 since that is where the school size weighting factor stops increasing. For example, if Kulm went above the 125 mark, I would lose the small isolated money but would benefit from the increase in school size weighting factor. With the current funding formula, we are able to survive since we can raise money locally. With the new formula (which I think is good by the way) we lose part of that ability thus it is necessary to fill the gap between 100 students and 125 students. The House recognized this "hole" and fixed it.

Not all small schools receive the small isolated money. In order to be eligible, the school has to be in a geographic location where it would place a burden on families if the school closed. These schools have been deemed necessary!

I respectfully ask the Senate to take a hard look at this issue and move the number for the small isolated schools back to 125.

If I can be of any farther assistance, please contact me at tonitsch@kulm.k12.nd.us or my school phone is 701-647-2303 ext 101, and cell number is 605-490-2022.

Thank you,

Tom Nitschke
Kulm School District Superintendent

#3
4-4-13

Testimony on HB1319

By

Dr. M. Douglas Johnson, Executive Director—NDCEL

Chairman Holmberg and members of the Senate Appropriations Committee, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am presenting written testimony on the strengths and weakness of the amendments the Senate Education Committee has made to **HB1319**, which our association believes would have a fiscal impact on the bill which is designed to provide a funding formula that integrates property tax relief, equity and adequacy into the state's funding of K-12 public education.

The following amendments which we believe impact the fiscal note to HB1319 are ones which our association supports:

- Lowering the local contribution from 70 mills to 50 mills
- Limiting the amount in dollars subtracted from a district's state aid payment to not exceed the previous year's amount in dollars subtracted by more than twelve percent
- Synchronizing the board approved levies for the 2013 taxable year levy only by the amount in dollars that the school district levied for the 2012 taxable year and is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates.
- Allowing districts that currently have HVAC bonds to continue including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, 2013.

The following amendments which we believe impact the fiscal note to HB1319 are ones which our association is neutral:

- Changing the rates for in lieu of moneys received by the district to be included as a local contribution from 75% to 100% for which include revenues from taxes on mobile homes, telecommunications and on homestead credit and disabled veteran's credit.
- Changing the state aid minimum local effort Determination for districts with state taxable valuation from 40% of the state average to 20% of the state average
- Changing the home based instruction monitoring weighting factor from 0.50 to 0.20

The following amendments which we believe impact the fiscal note to HB1319 are ones which our association is opposed:

- Reducing the unobligated general fund balance from the current 45% plus \$20,000 of a districts actual expenditures ending June 30th to 40% plus \$20,000 on July 1 of 2015 and to 35% plus \$20,000 on July 1 of 2017. Many school districts, especially smaller ones, need to be able to maintain the current ending fund balance levels to insure the have funds for catastrophic and unexpected loss such as a boiler or roof in need of replacement. Further, the new funding formula significantly impacts the loss in dollars a district would receive from the state if they experience declining enrollment. It would be best to add this legislation during the next legislative session after the interim committees have had time to study the impacts, both positive and negative, has had on schools districts in our state.
- Reducing the minimum number of students for determining isolated school payments from 125 students to 100 students for eligibility.
- Requiring school districts to us the At Risk weighting factor to provide that the moneys received be used to support the provision of a daily snack beverage of milk or juice. We believe that it was the Senate Education Committee's intent to make this permissive language rather than a requirement. As it stands now this is an unfunded mandate which we cannot support.
- Requiring parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities. This amendment is testing children before first grade to determine the presence of a Learning Disability is excessive and an unfunded mandate. The potential for a learning disability and corresponding testing is part of IDEA and is achieved through a Federal mandated Child Find processes. Assessment under IDEA is conducted only for children suspected of having a learning disability and may or may not be necessary prior to first grade. Additional issues include: both the costs and the consumption of staff time to complete these individual assessments, the validity of test results when testing at such a young age and the purpose of testing prior. As it stands now this is an unfunded mandate which we cannot support.

Chairman Holmberg and members of the committee this concludes my testimony. I would be glad to answer any questions that you may have with regard to my testimony and may be reached by email at doug.johnson@ndcel.org, or by phone: 701-258-3022 (o) 701-220-9167 (c).

Edgeley Public School District #3

High School Principal
Todd Kosel

Elementary Principal
Garitt Irely

Business Manager
Patricia Ann VerDouw

RICHARD DIEGEL, Superintendent
PO Box 37 307 6th Street
EDGELEY, NORTH DAKOTA 58433
Phone: (701) 493-2292
Fax: (701) 493-2411

Board of Education
Mike Long, President
Steve Feist, Vice Pres.
Wendy Boom, Director
Patti Solinger, Director
Kent Madcke, Director

4-4-13
HB 1319
page
April 3, 2013

To: Chairman Holmberg and Members of the Senate Appropriations Committee

From: Rick Diegel, Edgeley School District Superintendent

Re: HB 1319

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Rick Diegel and I am Superintendent of Schools in the Edgeley School District. I would like to testify in favor of keeping a Senate Education Committee amendment recommendation in HB 1319. The specific amendment I am referring to is Section 11, 4a, page 17, lines 6 – 8.

The language that was added: “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” is needed to protect schools in the event that taxable valuations increase by more than 12%.

Under current state law, school districts are not allowed to levy more than 12% than was levied in the previous year. Without this amendment that was added by the Senate Education Committee, schools that experience a taxable valuation increase of more than 12% would be severely affected.

Please refer to page 2 of this document to see the devastating effects on the Edgeley School District for the 2014 – 2015 if we experience a 24% taxable valuation increase, as is currently projected.

Thank you for your time.

Edgeley Public School District #3

#4
4-4-13
NB 1319
page 2

Result of HB 1319 to Edgeley with a projected 24% taxable valuation increase in 2014 – 2015 school term:

Taxable Valuation year ending 2012 - \$9,058,381

- Amount state deducts based on 50 mills ($\$9,058.38 \times 50$) - \$452,919
- Amount Edgeley levies to make up for 50 mill deduct ($\$9,058.38 \times 50$) - \$452,919

Estimated Taxable Valuation year ending 2013 (24% projected increase) - \$11,232,392

- Amount state deducts based on 50 mills ($\$11,232.39 \times 50$) - \$561,619
- Amount Edgeley is allowed to levy to make up for 50 mill deduct (can't be more than 12% of 2012 levy, therefore $\$452,919 \times 1.12\%$) - \$507,269

- **Amount Edgeley would lose in 2014 – 2015 school term in HB 1319 because of 12% rule - \$54,350 (\$561,619 - \$507,269)**

Senator Holmberg and Senate Appropriations Committee Members:

#5
HB1319
4-4-13

I am Roger Abbe, Superintendent of Schools for the Larimore and Midway School Districts. My school boards would prefer to have property tax relief handled apart from school funding but, since this is the only school funding bill that's being considered, we realize we must work this. I want to present the following concerns we have with the bill:

1. The first year of funding for both of my districts is manageable although the increase for Larimore is very small and the second year has virtually no increase at all. This is largely due to the large deduct ("Contribution for Local Taxes") that is being levied. Going from a 0 deduct to 70 mills is too much too quickly. This is a deduction of over \$900,000 for the Larimore District! Please considering lowering the deduct by at least 20 mills, and adjusting it in other parts of the formula, as a transition and then gradually increasing it over time. This could be balanced, to some extent, by lowering the WPU pay to \$8,000/WPU. I realize this will benefit some districts more than others but it will benefit every district in some way. Also, it's a taxpayer friendly proposal because it keeps more local money in the district.
2. Please keep in mind that, in almost all cases, the superintendents hadn't seen anything about this plan until less than 2 months ago and we will not know anything definite until toward the end of the session. By that time, any nonrenewals of teachers will be impossible. Allowing a 2 year transition will allow administrators and boards the opportunity to adapt in a thoughtful manner that will be best for our students and districts. Without that transition, there will be a lot a reactionary activity that could be very damaging to the districts. My districts are trying to be fiscally responsible which is shown by the fact that they share a superintendent. They shouldn't be forced into irresponsible moves because of such short notice. Considering how little time we have to make this adjustment, I don't think a 2 year transition is unreasonable.
3. Also, please be aware that projections that go to school districts and that your committee members may see don't reflect other deductions for special education units, REAs and the state data system. When these are deducted from Larimore's second year projections, there is absolutely no increase and this bill doesn't allow the local district to do anything about it except try to get an excess levy which is the opposite of what this bill should be promoting. North Dakota is currently in the top 10 states in the country in per capita income but still in the bottom 5 for teacher salaries. The types of increases and limitations that districts like Larimore will get will not allow for any sustainable increases. Larimore is not a property rich district. In fact, it was an equity district until the pipeline went through a corner of it several years ago. The only way we can make adequate and sustainable increases in teacher salaries is if the deduct is lowered by at least 20 mills.
4. \$8,800/WPU sounds great and it is for district with increasing enrollment but losing \$8,800/WPU due to declining enrollment is a huge hit. When weightings are factored in,

that will be closer to \$10,000/WPU for districts like Larimore. A district can lose 12 students but, if those students are spread over many grades, that district will not be able to reduce staff. Still, that district would lose \$120,000 that cannot be made up in any other way. The 20 mill deduct transition that I'm suggesting would provide a buffer for districts while studying the true impact of this aspect of the bill.

I know my suggestion is much simpler than many of the other suggestions that are being considered but I would contend that it's more equitable. Most of the suggestions I hear about consist of merely tinkering with weightings which benefit only a few districts. Reducing the deduct by 20 mills will benefit every district and allow for a smooth transition to this new funding system.

Respectfully submitted,

Dr. Roger Abbe, Supintendent
Larimore & Midway Public School Districts
Phone: 701-869-2432
roger.abbe@gmail.com

TESTIMONY ON HB 1319

By

Duane Poitra, Business Manager
Belcourt School District #7

6
4-4-13

Chairman Holmberg and members of the Senate Appropriations Committee, for the record my name is Duane Poitra. I am the Business Manager of the Belcourt School District # 7. I also represent 11 Native American School Districts with taxable valuation per student that is less than forty percent of the state average valuation per student. I am here to testify on HB1319, a bill designed to provide a funding formula that integrates property tax relief and equity into the state funding of all North Dakota's K-12 public schools.

I believe this bill, in the form passed by the Senate Education Committee with amendments, does provide equitable and adequate State aid to the students of our school district. The particular amendment which restored equity and fairness to eleven (11) Native American School Districts is found in Section 12. Without this Section 12 amendments, the 11 Native American School Districts would have had substantial decreases in funding in the upcoming 2013-14 school year.

Previously, Section 12 of House Bill 1319, as crossed over to the North Dakota Senate, deducted an imputed local property tax contribution by using the state average valuation per student of about \$23,500 to calculate the deduction; this caused funding decreases for the 11 Native American School Districts. The Section 12 amendments by the Senate Education Committee changed the minimal local effort threshold of "less than **forty** percent of the state average valuation per student" to "less than **twenty** percent of the state average valuation per student" and also sets forth a minimal local effort determination equal to "fifty mills times **twenty** percent of the state average valuation per student multiplied by the number of weighted student units in the district" rather than using **100%** of the imputed state average valuation per student in some of the poorest school districts in the state.

The Section 12 amendments made by the Senate Education Committee have, in my opinion, resulted in a fair and equitable State aid formula calculation for the 11 Native American School Districts. Therefore, I support the passage of House Bill 1319 with the Section 12 amendment.

Chairman Holmber, this concludes my testimony. I will be happy to answer any questions.

7
HB 1319
4-4-13

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 39, after line 13, insert:

**"SECTION 33. FAILED REORGANIZATION - SUPPLEMENTAL ASSISTANCE
PAYMENT.**

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated in a cooperative agreement approved by the superintendent of public instruction;
 - b. During the 2012-13 school year, the patrons of the school district failed to approve a reorganization with the other school districts participating in the cooperative agreement; and
 - c. Students who had attended school in one of the cooperating school districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must equal the amount to which the school district would have been entitled had the students referenced in subdivision c of subsection 1 attended their school district of residence during the 2012-13 school year.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report and shall provide the payment from the integrated formula payments line item in the appropriation bill for the superintendent of public instruction, as enacted by the sixty-third legislative assembly.
4. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly."

Renumber accordingly

Submitted after hearing

		Introduced	House Education	House Approp	Senate Education
		13.0278.02000	13.0278.03000	13.0278.04000	13.0278.05000
Section	HB 1319	Exec Rec			
	HB 1013 General Fund	932,900,162	932,900,162	932,900,162	1,544,224,000
	HB 1319 General Fund			100,000	100,000
	HB 1319 General Fund				250,000
4	HB 1013 Tuition Fund	140,326,000	140,326,000	140,326,000	140,326,000
17	HB 1319 Property Tax Sustainability	714,173,838	714,173,838	714,173,838	
	Total Appropriations	1,787,400,000	1,787,400,000	1,684,650,000	1,684,900,000
	<i>Executive Budget Rec</i>	1,787,400,000	1,787,400,000	1,787,400,000	1,787,400,000
9	Isolated eligibility			1,300,000	-
9	Sped factor		5,500,000	5,500,000	5,500,000
9	REA factor		(3,700,000)	(3,700,000)	(3,700,000)
9	Home Ed supervised factor				(515,000)
10	District size factor			7,750,000	7,315,000
11	\$2 million in-lieu exclusion		9,000,000		
11	Other In-lieu revenue		(2,900,000)	(2,900,000)	(2,900,000)
11	Percentage of In-lieu revenue included				(2,700,000)
11	Baseline funding			4,800,000	4,800,000
11	Local Contribution Rate	-	-	(119,600,000)	-
12	Minimum Local Effort				10,600,000
	Budget corrections		4,000,000	4,000,000	4,000,000
	Total Expenditures	1,787,400,000	1,799,000,000	1,684,550,000	1,809,800,000
	Section 34 Study Appropriation			100,000	100,000
	Section 35 CTE Certificate Program				250,000
	Total Expenditures	1,787,400,000	1,799,000,000	1,684,650,000	1,810,150,000
	Over/Under	-	11,600,000	-	125,250,000
	Expenditures for School Districts	1,073,226,162	1,073,226,162	1,089,976,162	1,095,976,162

*HB 1319
4-4-13*

#8

/

H 1319 - conference committee explanation of amendments

I will walk you through some of the amendment your Senate Education committee made as it moved through our committee. The amendments passed the Senate without dissent and the Senate Appropriations committee did not further amend the bill.

The bill as amended pass the Senate on a unanimous vote.

Please turn to **page 8 - Section 9** for the first Education committee amendments. It holds the increase for special education beyond the 2013-2015 biennium.

Our amendments also look to work with the issue of early identification of learning disabilities. Because in part, we know that early identification can improve learning outcomes, enhance lives and save money. That change is found on page 8 lines 15 - 17.

Also on page 8 - starting on line 31 - which is Section 9 subsection 1 - m is clarification language that ensures that schools that provide a milk break have funds to trail students from low income families. We are increasing the amount of funds for this category by about \$7.5 - 8 million as proposed in the bill and we now direct that a portion of that be used for milk or juice for districts that offer a milk break.

On page 9 - line 25 we reduced the weighting factor for monitoring home school students. As we double the per student payments, we did not think the districts needed \$4,500/student for monitoring. Plus as we continue to lessen requirements for home school students there are fewer issues to monitor. I think the savings is about \$450,000

Page 10 line 23 we kept the House version of Special Ed weighting factors in place but carried over our testing language that I mentioned earlier. We also carried over the language for at risk students as previously mentioned.

We did not change the school size weighting factors even though we did not feel fully convinced that the proponent of that made a strong case for that change.

The committee also provided language to retain the current definition of small and isolated school. The bill as it came to us had in essence double payments for a select group of schools and we they supporters of that were not able to justify that double enhancement.

Now please move to **Page 15** of the bill.

Currently mobile home taxes and telecommunications taxes count a dollar as a dollar in the formula. As the bill came to us it counted as only 75 cents. We amended those two categories to maintain current law and count one dollar of in lieu of income as one dollar in the formula.

As the bill came to us it only counted money that comes from the state for in lieu of taxes for the state reimbursement of homestead tax credit and disabled veteran's credit. So in effect the money we sent to

districts only was counted as 75 cents on the dollar and then the state would be asked to make up the difference in the formula. The Senate was not supportive of having the state pay twice and the amendments will now count a dollar as a dollar for homestead tax credits and disabled veteran's credit.

Now please move down to **page 17**. That is the first of a number of sections that were changed when we lowered the local based mills from 70 mills to 50 mills. That amended change will provide an additional \$120 million in property tax relief over reducing it to just 70 mills. The Senate liked the concept of having the bulk of our property tax relief in one location and in essence it helped many districts benefit from the formula. Our Education committee voted unanimously in support of the change.

Also in **subsection 4 on page 17** we limited the amount districts with rapid valuations can be affected by the limit of a 12% threshold in district budget increases.

Also on page 17 we have Section 12 which provides a fix for those Reservation districts that have extremely low local taxable authority. The fix found in Section 12 provides that remedy at a cost of about \$10.7 million (noting that the amount reported for this has varied).

Please now move to **page 20 of the bill**.

The next proposed amendment is in **Section 15** and relates to how many dollars that schools can carry over in ending funds balance.

Currently if they have more than 45% of their operating costs plus \$20,000 in ending fund balance on June 30 they have a dollar for dollar reduction of state funds when they exceed the established threshold.

The Senate amendment reduces that to 40% plus \$20,000 by July 1, 2015 and an additional reduction of 5% down to 35% plus \$20,000 by July 1, 2017.

Currently school districts have about \$290 million in ending fund balance and that has drawn the attention of many legislators. The Senate Education committee felt that with the state picking up more than 80% of the cost of education that schools do not need as many dollars in their rainy day fund.

Pages 22 - 24

The bill contains \$250 million in low interest loans but as it came to us the bill could buy the construction loans down to 0%. The Education committee felt that schools needed to have some skin in the game and incentive to not stretch out the loans. As such, we applied amendments that school districts must pay at least 1% interest.

It is also worth noting that there has been an effort to remove up to \$100 million from that in SB2187.

The amendments in **Section 25** allow those districts that have bonding obligations in place for major construction or remodeling projects that are on the books. The new language in Section 25 allows them to carry those payment structures forward. DPI reports that there is about \$3 million per year for the entire state.

As we move to the end of the bill we made a change to the required study to include examining the effectiveness of principal and superintendent evaluation systems.

And finally on page 42, Section 36 - this section provides an appropriation of \$250,000 for a pilot project for an outcome based training program. The program is a workforce training program for those who are challenged with the Autism Spectrum. We know that many individuals on the autism spectrum can be challenged in one area but tremendously adept in other areas.

Section 36 would provide a payment equal to the per student payment for each person who completes a specific certificate type program in the technology sector. This is essentially a pilot certificate program that is outcome driven and not seat time driven. In that is a workforce related program it is run through the department of career and technical education and is limited to 30 students for the pilot project.

The pilot program requires a report to Legislative Management.

I would also note that Senator Heckaman's keen eye spotted that the as the bill came to us **Section 38** of the bill had major portions of the bill expiring before they became effective so the date was changed with Senate amendments from 2013 to 2015.

Senate Education amendments to the formula increase integrated formula payments by \$5.65 million from the House version of the bill, providing a total of \$1.0956 billion for state school aid, \$22.4 million more than the executive recommendation and \$177.2 million more than state school aid provided during the 2011-13 biennium.

The Senate amendments to buy local mills down to 50 mills provided an additional \$119.6 million to the property tax relief component for a total of \$714.2 million in property tax relief, the same as the executive recommendation and \$372.4 million more than the mill levy grants provided during the 2011-13 biennium.

Combining state school aid and property tax relief provides total integrated formula payments of \$1,809.8 million, including \$714.2 million in property tax relief, an increase of \$549.6 million from the 2011-13 biennium state school aid and mill levy grants, totaling \$1,260.2 million (\$918.4 million and \$341.8 million).

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

Forum Mar
23

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Fund Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
01-013	Hettinger 13	1	3,230,164	30%	982,962	-	578,403	-	9,309	73,029	-
02-002	Valley City 2	1	11,197,335	12%	1,300,308	656,074	489,315	579,724	130,016	239,108	-
02-007	Barnes County North 7	1	4,666,625	32%	1,481,769	504,344	364,081	-	40,534	874	-
02-046	Litchville-Marion 46	1	2,147,916	38%	818,068	-	-	-	5,000	45,466	14,482
03-005	Minnewaukan 5	1	3,790,054	43%	1,636,734	-	51,393	-	19,561	23,474	-
03-006	Leeds 6	1	1,995,033	30%	603,141	406	79,438	-	2,079	38,068	-
03-009	Maddock 9	1	2,099,221	44%	916,990	-	151,155	-	18,548	62,660	-
03-016	Oberon 16	2	1,079,849	15%	156,977	-	-	-	12,020	-	-
03-029	Warwick 29	1	4,944,080	-3%	(145,718)	-	-	-	26,967	12,722	-
03-030	Fl Totten 30	1	3,330,505	32%	1,071,936	-	-	-	-	(735,518)	-
04-001	Billings Co 1	2	2,442,522	160%	3,916,937	-	7,242,597	-	-	-	-
05-001	Bottineau 1	1	7,102,284	35%	2,499,680	-	1,535,273	-	10,315	173,552	-
05-017	Westhope 17	1	1,796,442	32%	577,689	-	49,729	-	25,698	37,431	5,221
05-054	Newburg-United 54	1	1,356,822	23%	311,240	-	9,694	-	2,710	27,290	-
06-001	Bowman Co 1	1	5,876,585	45%	2,664,165	-	800,209	-	43,364	132,216	-
06-033	Scranton 33	1	1,941,422	45%	876,699	-	170,004	-	570	73,521	2,206
07-014	Bowbells 14	1	1,244,179	46%	570,803	-	162,322	27,653	12,633	22,790	-
07-027	Powers Lake 27	1	1,799,508	28%	503,854	-	12,043	-	-	48,916	-
07-036	Burke Central 36	1	1,622,929	29%	474,877	7,218	100,036	-	15,262	10,907	-
08-001	Bismarck 1	1	114,541,113	16%	18,011,396	-	5,036,237	1,350,150	1,723,338	671,758	43,711
08-025	Naughton 25	3	172,486	46%	80,048	4,400	-	-	-	-	-
08-028	Wing 28	1	1,274,561	15%	188,159	-	10,302	-	12,669	12,020	-
08-029	Baldwin 29	2	466,676	-18%	(82,756)	-	-	-	-	-	-
08-033	Menoken 33	2	447,511	39%	173,144	-	-	-	61	4,125	-
08-035	Sterling 35	2	621,967	40%	248,468	-	-	-	5,096	(16)	-
08-039	Apple Creek 39	2	1,199,385	46%	551,266	-	-	-	-	-	-
08-045	Manning 45	3	148,744	40%	60,041	-	-	-	-	-	-

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
09-001	Fargo 1	1	138,457,195	20%	28,275,540	-	8,885,962	-	2,937,721	-	-
09-002	Kindred 2	1	6,003,839	30%	1,783,111	-	3,479,728	717,658	35,837	177,202	-
09-004	Maple Valley 4	1	3,515,985	45%	1,587,844	-	-	-	35,557	40,379	-
09-006	West Fargo 6	1	71,593,777	18%	13,152,399	2,240,224	62,396,347	2,929,391	1,065,544	589,828	91,808
09-007	Mapleton 7	2	1,460,325	21%	299,570	-	23,458	-	7,035	9,222	-
09-017	Central Cass 17	1	6,963,753	29%	1,988,107	107,531	250,832	9,609	97,134	31,816	-
09-080	Page 80	2	1,828,265	38%	692,549	25,247	124,931	-	11,063	30,396	-
09-097	Northern Cass 97	1	5,087,575	26%	1,334,894	-	27,525	300,336	6,318	80,615	-
10-019	Munich 19	1	1,557,925	39%	610,959	-	160,669	-	8,097	38,526	-
10-023	Langdon Area 23	1	4,632,564	40%	1,869,575	-	616,712	-	27,778	72,553	225,317
11-040	Ellendale 40	1	4,301,267	26%	1,102,153	88,311	128,290	323,395	38,565	74,689	-
11-041	Oakes 41	1	5,357,986	25%	1,359,744	229,932	117,551	-	-	48,512	-
12-001	Divide County 1	1	4,150,434	34%	1,414,840	-	52,155	-	2,048	84,694	143,071
13-016	Killdeer 16	1	5,666,691	29%	1,667,513	455,531	587,455	-	25,120	84,120	-
13-019	Halliday 19	1	868,002	26%	224,488	24,449	56,614	-	(18,804)	3,393	-
13-037	Twin Buttes 37	2	1,897,984	48%	919,400	-	-	-	-	1,073	21,522
14-002	New Rockford-Sheyenne 2	1	3,528,219	43%	1,532,544	-	63,993	-	1,758	90,671	-
15-006	Hazleton-Moffit-Braddock 6	1	1,545,261	45%	690,577	44,452	45,120	31,420	18,116	77,342	-
15-010	Bakker 10	2	211,358	32%	67,552	-	-	-	886	-	-
15-015	Strasburg 15	1	1,712,286	37%	629,287	58,354	19,168	-	3,502	37,605	-
15-036	Linton 36	1	3,344,562	19%	639,205	-	487	-	-	58,506	22,307
16-049	Carrington 49	1	5,575,157	37%	2,060,077	-	24,680	107,726	3,553	233,976	-
17-003	Beach 3	1	4,354,486	37%	1,592,034	-	-	-	10,615	43,414	127,054
17-006	Lone Tree 6	2	747,274	48%	355,820	164,139	332	-	-	-	-
18-001	Grand Forks 1	1	77,777,650	19%	15,165,998	-	5,487,978	-	532,182	-	-
18-044	Larimore 44	1	4,736,901	29%	1,380,317	2,812	66,252	250,465	-	59,944	-
18-061	Thompson 61	1	4,085,948	21%	851,525	5,351	12,487	7,345	22,502	90,489	-

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
18-125	Manvel 125	2	1,908,383	41%	781,236	-	32,776	0	167	40,460	-
18-127	Emerado 127	2	1,524,055	42%	642,066	-	60,864	-	9,924	980	-
18-128	Midway 128	1	3,289,043	42%	1,389,622	-	48,687	-	2,558	43,472	-
18-129	Northwood 129	1	3,070,691	39%	1,187,162	-	326,587	124,700	11,242	90,343	-
18-140	Grand Forks AFB 140	4	2,311,426	-16%	(362,467)	-	264,697	-	-	-	-
19-018	Roosevelt 18	2	1,516,328	5%	82,032	-	175,655	-	5,151	11,673	-
19-049	Elgin-New Leipzig 49	1	2,151,405	25%	534,139	-	-	-	1,906	72,169	-
20-007	Midkota 7	1	2,203,928	25%	550,325	-	-	-	714	15,946	-
20-018	Griggs County Central 18	1	3,118,327	38%	1,188,600	184,364	633,344	-	7,411	56,146	-
21-001	Mott-Regent 1	1	3,485,655	31%	1,081,714	-	99,416	-	5,669	78,173	-
21-009	New England 9	1	2,795,035	31%	867,322	-	105,148	-	37,929	72,299	-
22-001	Kidder County 1	1	4,532,428	39%	1,783,960	-	90,753	59,679	12,113	12,580	-
22-014	Robinson 14	2	292,703	69%	200,971	-	9,332	-	3,364	-	-
23-003	Edgeley 3	1	3,305,910	10%	334,371	-	10,073	272,532	6,340	8,454	-
23-007	Kulm 7	1	1,832,890	44%	799,122	124,517	175,489	-	12,708	51,018	8,068
23-008	LaMoure 8	1	3,847,191	23%	867,986	-	40,605	-	9,728	137,287	-
24-002	Napoleon 2	1	2,902,614	41%	1,181,256	44,695	95,657	-	4,810	50,161	-
24-056	Gackle-Streeter 56	1	1,462,277	43%	635,810	140,870	58,796	-	23,167	64,787	-
25-001	Velva 1	1	3,825,552	21%	802,668	-	37,770	45,940	2,495	85,448	-
25-014	Anamoose 14	2	1,386,479	46%	637,495	55,478	19,136	-	10,807	38,173	-
25-057	Drake 57	1	1,423,029	43%	611,816	111,864	42,781	-	11,204	57,313	-
25-060	TGU 60	1	4,743,978	26%	1,240,476	-	160,422	75,340	1,204	87,470	-
26-004	Zeeland 4	1	829,557	27%	222,697	63,921	27,919	-	11,013	21,183	-
26-009	Ashley 9	1	1,904,288	42%	797,379	312,326	126,346	-	35,312	19,495	-
26-019	Wishek 19	1	2,443,207	45%	1,088,875	-	122,676	-	6,724	99,863	-
27-001	McKenzie Co 1	1	9,411,237	26%	2,467,101	-	1,128,349	-	38,381	125,654	13,923
27-002	Alexander 2	1	1,722,629	23%	404,239	-	43,182	-	5,152	86,136	-

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
27-014	Yellowstone 14	2	1,218,028	28%	335,259	-	-	-	19,846	35,274	-
27-018	Earl 18	3	113,927	726%	826,802	18,939	-	-	-	-	-
27-032	Horse Creek 32	3	197,470	332%	656,157	-	-	-	-	-	-
27-036	Mandaree 36	1	4,911,553	33%	1,623,738	-	-	-	115,166	38,966	-
28-001	Wilton 1	1	2,802,938	34%	939,780	-	123,032	-	61,384	106,216	-
28-004	Washburn 4	1	3,003,186	39%	1,175,683	-	230,858	-	2,143	71,490	-
28-008	Underwood 8	1	2,757,431	29%	794,275	178,981	47,035	81,719	3,972	44,185	-
28-050	Max 50	1	2,190,792	37%	806,838	-	193,715	-	5,961	50,610	-
28-051	Garrison 51	1	4,175,045	24%	994,739	-	245,896	-	7,929	112,758	-
28-072	Turtle Lake-Mercer 72	1	2,209,984	42%	936,309	-	201,258	18,058	22,319	54,334	255,712
28-085	White Shield 85	1	1,509,137	5%	71,303	-	-	-	4,843	47,247	-
29-003	Hazen 3	1	6,016,669	30%	1,791,538	93,580	85,521	38,891	3,429	97,643	1,686
29-027	Beulah 27	1	7,038,318	42%	2,952,785	-	(78,952)	133,103	19,651	108,193	-
30-001	Mandan 1	1	32,672,677	19%	6,298,452	-	2,172,472	645,962	499,668	472,398	196,359
30-004	Little Heart 4	2	247,688	53%	130,475	-	-	-	-	-	-
30-013	Hebron 13	1	2,548,986	33%	853,156	2,748	43,546	-	426	65,155	336,667
30-017	Sweet Briar 17	3	119,407	59%	70,169	-	-	-	-	-	-
30-039	Flasher 39	1	2,445,535	40%	975,545	-	419,140	-	7,199	53,785	-
30-048	Glen Ullin 48	1	2,184,765	44%	957,072	240,057	158,447	-	3,499	118,544	12,334
30-049	New Salem-Almont 49	1	3,464,368	12%	405,103	98,808	21,207	140,381	10,519	90,754	-
31-001	New Town 1	1	12,455,110	41%	5,081,581	195,311	6,579,405	-	69,935	89,729	255,684
31-002	Stanley 2	1	6,547,981	24%	1,550,150	187,312	2,713,096	703,572	903	108,540	-
31-003	Parshall 3	1	4,515,827	41%	1,829,126	4,030	6,032	44,253	7,346	73,038	-
32-001	Dakota Prairie 1	1	4,238,616	28%	1,207,647	-	720,969	-	24,928	70,741	-
32-066	Lakota 66	1	2,456,373	38%	938,737	35,541	168,158	-	8,223	53,512	-
33-001	Center-Stanton 1	1	3,094,295	40%	1,250,169	-	68,818	-	12,474	75,164	-
34-006	Cavalier 6	1	4,163,020	38%	1,576,091	-	119,444	-	46,108	48,057	-

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
34-019	Drayton 19	1	2,325,611	40%	927,427	-	57,919	-	(259)	-	-
34-043	St Thomas 43	1	1,461,969	27%	392,721	-	81,780	-	6,828	46,171	-
34-100	North Border 100	1	6,478,120	34%	2,198,822	-	167,190	366,636	38,801	129,766	-
34-118	Valley-Edinburg 118	1	3,296,149	43%	1,427,972	-	158,588	-	58,371	34,624	-
35-001	Wolford 1	1	875,254	22%	193,667	-	1,116	-	583	7,029	-
35-005	Rugby 5	1	6,792,404	22%	1,494,767	-	875,172	860,875	15,553	100,789	15,635
36-001	Devils Lake 1	1	17,548,039	21%	3,619,616	531,484	345,463	296,368	89,207	422,493	-
36-002	Edmore 2	1	1,388,908	43%	594,788	-	172,394	-	40,904	37,752	-
36-044	Starkweather 44	1	1,222,573	31%	372,956	-	2,033	-	9,037	19,515	-
37-006	Ft Ransom 6	2	612,996	46%	284,005	-	-	-	-	-	-
37-019	Lisbon 19	1	6,363,097	15%	940,833	566,411	332,015	75,452	22,852	71,526	106,024
37-024	Enderlin Area 24	1	3,569,436	28%	1,003,462	14,143	310,373	411,253	27,234	60,864	261,998
38-001	Mohall-Lansford-Sherwood 1	1	4,753,301	43%	2,052,907	-	220,967	45,085	37,694	343,645	15,881
38-026	Glenburn 26	1	2,984,821	37%	1,097,550	-	110,642	-	7,545	71,477	-
39-008	Hankinson 8	1	3,089,381	35%	1,092,397	88,325	214,461	246,398	24,061	39,966	-
39-018	Fairmount 18	1	1,614,284	39%	637,594	187,211	46,726	-	-	35,088	-
39-028	Lidgerwood 28	1	2,047,440	34%	686,060	-	228,456	34,331	1,391	82,514	-
39-037	Wahpeton 37	1	12,197,013	31%	3,738,620	972,503	427,501	400,168	131,538	260,451	-
39-042	Wyndmere 42	1	2,757,005	39%	1,083,322	-	153,135	-	2,877	77,006	-
39-044	Richland 44	1	3,018,856	27%	817,334	124,673	250,406	198,707	2,219	52,945	-
40-001	Dunseith 1	1	6,983,483	1%	93,007	99,106	118,296	-	-	-	-
40-003	St John 3	1	4,793,130	40%	1,929,357	13,637	(36,700)	-	65,917	86,960	2
40-004	Mt Pleasant 4	1	3,731,445	26%	976,149	230,700	54,894	3,965	25,726	29,172	-
40-007	Belcourt 7	1	22,528,107	15%	3,289,846	-	-	-	75	42,864	-
40-029	Rolette 29	1	1,891,099	26%	492,664	176,732	43,124	-	(17,963)	18,119	-
41-002	Milnor 2	1	2,680,029	31%	832,456	-	29,692	-	7,696	22,123	-
41-003	North Sargent 3	1	2,516,707	34%	848,336	118,672	85,073	-	14,228	64,984	-

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
41-006	Sargent Central 6	1	3,226,535	37%	1,203,461	182,929	-	66,524	(8,879)	71,580	-
42-016	Goodrich 16	1	640,059	31%	199,029	46,000	4,678	-	532	3,626	-
42-019	McClusky 19	1	1,372,100	34%	461,815	-	7,088	-	4,780	10,207	-
43-003	Solen 3	1	3,824,635	3%	117,628	-	-	-	-	-	-
43-004	Fl Yates 4	1	3,124,346	18%	550,042	-	1,556,421	-	(811,429)	(1,748)	-
43-008	Selfridge 8	1	1,467,664	36%	533,611	-	2,129	-	15,937	5,408	-
44-012	Marmarth 12	2	269,797	203%	547,134	-	-	-	-	-	-
44-032	Central Elem 32	2	239,509	146%	349,875	-	-	-	-	-	-
45-001	Dickinson 1	1	25,847,605	40%	10,298,347	-	8,099,069	39,613	129,831	893,751	-
45-009	South Heart 9	1	2,723,616	31%	833,543	-	-	-	6,199	86,414	-
45-013	Belfield 13	1	2,618,472	45%	1,181,047	-	377,555	-	289	106,816	-
45-034	Richardton-Taylor 34	1	3,345,680	22%	721,386	-	2,859	-	-	102,940	-
46-010	Hope 10	1	2,137,226	39%	830,713	-	360,525	-	17,114	30,425	-
46-019	Finley-Sharon 19	1	2,201,396	45%	981,872	-	137,970	-	4,325	51,865	-
47-001	Jamestown 1	1	23,330,233	25%	5,776,562	394,146	642,260	4,306,544	238,293	223,869	1,962,123
47-003	Medina 3	1	1,788,995	33%	587,045	-	97,475	-	(21,715)	55,770	-
47-010	Pingree-Buchanan 10	1	1,809,399	33%	589,335	-	37,926	-	15,218	30,414	-
47-014	Montpelier 14	1	1,301,891	29%	371,212	-	41,627	-	4,293	24,029	-
47-019	Kensal 19	1	818,861	39%	320,733	-	49,088	-	3,397	24,356	4,502
48-010	North Star 10	1	2,968,439	43%	1,279,901	-	223,623	-	109,077	65,004	305,520
48-028	North Central 28	1	666,814	52%	343,641	-	-	-	-	-	-
49-003	Central Valley 3	1	2,659,948	40%	1,063,535	-	78,864	71,399	7,610	45,996	-
49-007	Hatton 7	1	2,432,953	39%	937,094	96,727	(16,511)	-	2,540	57,028	-
49-009	Hillsboro 9	1	4,597,156	17%	799,940	56,360	24,227	330,848	7,126	8,833	-
49-014	May-Port CG 14	1	5,285,527	28%	1,491,105	-	475,371	-	76,718	131,662	-
50-003	Grafton 3	1	8,785,065	26%	2,298,251	179,390	396,943	223,757	59,700	200,957	-
50-005	Fordville-Lankin 5	1	1,161,666	46%	536,992	96,259	27,067	85,265	1,327	36,632	364

ND Public School Districts
Ending Fund Balance Report
Fiscal Year 2011-12

CoDist	Dname	Dtype	General Fund Expenditures	General Fund Ending Balance Percent	General Fund Ending Fund Balance	Special Reserve Ending Fund Balance	Building Fund Ending Fund Balance	Debt Service Ending Fund Balance	Food Service Ending Fund Balance	Student Activities Ending Fund Balance	Trust and Agency Ending Fund Balance
50-020	Minto 20	1	2,256,212	32%	722,069	378,581	5,337	-	7,706	67,261	-
50-078	Park River 78	1	4,185,167	29%	1,213,655	296,152	(236,086)	244,135	(6,559)	149,123	-
50-128	Adams 128	2	1,001,831	20%	197,554	67,243	72,392	-	68,168	14,933	-
51-001	Minot 1	1	71,969,987	21%	15,403,819	-	3,929,761	(1,050)	749,894	565,621	(291,228)
51-004	Nedrose 4	2	2,887,491	39%	1,135,189	-	-	-	10,229	16,198	-
51-007	United 7	1	5,551,548	11%	587,799	34,126	125,888	98,441	29,621	103,444	-
51-016	Sawyer 16	1	1,778,921	9%	156,374	118,806	81,716	-	21,061	23,822	-
51-028	Kenmare 28	1	3,695,300	22%	829,142	-	169,358	-	16,167	54,837	-
51-041	Surrey 41	1	3,566,336	8%	278,581	-	186,925	-	7,639	11,726	-
51-070	South Prairie 70	2	2,445,296	43%	1,063,254	-	287,102	83,487	10,693	15,675	-
51-160	Minot AFB 160	4	7,142,308	35%	2,468,053	-	-	-	-	-	-
51-161	Lewis and Clark 161	1	4,550,261	35%	1,606,344	-	256,333	-	11,167	84,534	-
52-025	Fessenden-Bowdon 25	1	2,246,967	40%	888,277	-	118,611	-	11,616	71,271	-
52-035	Pleasant Valley 35	2	247,561	63%	155,710	-	2,562	-	882	2,436	-
52-038	Harvey 38	1	4,482,426	33%	1,485,970	174,433	124,437	-	13,283	67,779	43,163
53-001	Williston 1	1	24,761,424	33%	8,163,368	-	(424,535)	723,296	425,746	402,426	-
53-002	Nesson 2	1	2,799,669	21%	581,520	-	2,551,329	345,062	19,539	39,543	-
53-006	Eight Mile 6	1	2,029,710	12%	244,074	87,151	154,526	-	-	42,022	-
53-008	New 8	2	3,436,890	31%	1,052,297	-	16,162	-	-	-	-
53-015	Tioga 15	1	4,230,480	22%	935,027	94,286	222,605	-	-	39,168	255,660
53-099	Grenora 99	1	1,864,936	9%	169,378	637,228	41,229	-	25,472	48,346	-
Statewide			1,143,334,923	25%	290,404,090	12,775,531	142,409,135	18,575,577	10,119,666	12,790,214	4,456,776

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 5, after the fifth comma insert "37-19.1-02,"

Page 1, line 8, after "districts" insert "and employment preferences for veterans"

Page 23, after line 16, insert:

"SECTION 20. AMENDMENT. Section 37-19.1-02 of the North Dakota Century Code is amended and reenacted as follows:

37-19.1-02. Public employment preference to veterans - Residency requirements.

1. Veterans are entitled to preference, over all other applicants, in recruitment and selection processes by governmental agencies, provided that such veteran is a United States citizen at the time of application for employment. Veterans qualified for preference may not be disqualified from holding any position with an agency because of physical or mental disability, unless the disability renders them unable to properly perform the duties of the position applied for. To receive veterans' preference, an applicant must submit the following documentation:
 - a. An applicant claiming veterans' preference shall provide a copy of report of separation DD-214.
 - b. An applicant claiming disabled veterans' preference shall provide a copy of report of separation DD-214 and a letter less than one year old from the veterans' administration indicating the veteran's disability status.
 - c. An applicant claiming veterans' preference as an eligible spouse of a deceased veteran shall provide a copy of the marriage certificate, the veteran's report of separation DD-214, and the veteran's death certificate.
 - d. An applicant claiming disabled veterans' preference as an eligible spouse of a disabled veteran shall provide a copy of the marriage certificate, the veteran's report of separation DD-214, and a letter less than one year old from the veterans' administration indicating the veteran's disability status.
2. When a veteran applies for employment to a position that is not being filled through a competitive personnel system, the officer, board, or person whose duty it is to employ an individual to fill the available position shall investigate the qualifications of the veteran. If the veteran is found to possess the qualifications required for the position applied for, whether educational or by way of prior experience, and is physically and mentally

able to perform the duties of the position applied for, the officer, board, or person shall employ the veteran. A disabled veteran is entitled to a preference superior to that given other veterans under this section, which preference must be accorded in the manner provided in this section. If the group of eligible individuals includes either veterans or disabled veterans, the employing authority of that particular agency or governmental agency shall make a selection for the available position as follows:

- a. A disabled veteran is first entitled to the position and, in the absence of justifiable cause, documented in writing, for not making that selection, must be so employed. If the list includes two or more disabled veterans, then the employing authority shall fill the position from the group of eligible individuals to be considered. The employing authority may further inquire into the qualifications of each eligible individual from within that group through means including interviews, background checks, and skills testing. A disabled veteran from the group of eligible individuals is first entitled to the position and, in the absence of justifiable cause, documented in writing, for not making that selection, must be so employed.
 - b. If the group of eligible individuals does not include one or more disabled veterans and consists only of veterans, then the employing authority shall fill the position from the group of eligible individuals to be considered. The employing authority may further inquire into the qualifications of each eligible individual from within that group through means including interviews, background checks, and skills testing. A veteran from the group of eligible individuals is first entitled to the position and, in the absence of justifiable cause, documented in writing, for not making that selection, must be so employed.
 - c. If the group of eligible individuals includes nonveterans and veterans, but not disabled veterans, then the employing authority shall fill the position from the group of eligible individuals to be considered. The employing authority may further inquire into the qualifications of each eligible individual from within that group through means including interviews, background checks, and skills testing. A veteran from the group of eligible individuals is first entitled to the position and must be employed unless there is justifiable cause that is documented in writing for not employing that veteran.
3. When a veteran applies for employment to a position that is being filled through a competitive personnel system, the officer, board, or person whose duty it is to employ an individual to fill the available position shall investigate the qualifications of the veteran. If the veteran is found to possess the qualifications required for the position applied for, whether educational or by way of prior experience, and is physically and mentally able to perform the duties of the position applied for, the officer, board, or person shall employ the following:
 - a. No distinction or discrimination may be made in the administration of the competitive personnel system examination because the applicant may be a veteran.
 - b. Upon receipt of proof required in subsection 1, on a one hundred point scale, the examiner shall add five points for a veteran and ten points

for a disabled veteran to the examination grade of the applicant. The total is the veteran's examination score. If a scale other than a one hundred point scale is used, the examiner shall add five percent of the scale used for a veteran and ten percent of the scale used for a disabled veteran to the examination grade of the applicant. The total is the veteran's examination score.

- c. The employing authority shall designate a prescribed number of eligible individuals to be considered from the top number of the group of eligible candidates in rank order, from highest to lowest, based on the applicant's final score.
 - d. The employing authority shall fill the position from the group of eligible individuals to be considered. The employing authority may further inquire into the qualifications of each eligible individual from within that group through means including interviews, background checks, and skills testing.
4. This section does not apply when the position to be filled is that of a ~~superintendent of schools, teacher, an~~ administrative head of a department required by law; or the chief deputy or private secretary of an elected or appointed official; ~~the chancellor and vice chancellors of the board of higher education; and presidents or executive deans, vice presidents, assistants to the president, provosts, instructors, and athletic team coaches of board institutions.~~ Temporary committees and individual or group appointments made by the governor or legislative assembly are also excepted from the provisions of this section. If an exempt position is advertised, the advertisement must state that veterans' preference does not apply to the position being advertised.
5. An employee of a state agency is not eligible for preference when applying for a different job within the same state agency or other state agencies. An employee of a political subdivision is not eligible for preference when applying for a different job within the same political subdivision."

Page 40, line 25, replace "31" with "32"

Page 40, line 26, replace "2013" with "2015"

Page 40, line 27, replace "20" with "21"

Page 40, line 27, replace "28" with "29"

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 39, replace lines 5 through 11 with:

- "4. a. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
- b. Beginning with the 2013 tax statement and the 2014 mobile home property tax statement, each county must also include the following information in substantially the following form:
- "The 2008-2009 school district general fund levy on this parcel was _____ mills.
- The (current year) school district general fund levy on this parcel is _____ mills.
- Savings on this parcel in the amount of _____ dollars is the result of state legislation that reduced the school district's mill levies."

Renumber accordingly

#2

13.0278.04036
Title.

Prepared by the Legislative Council staff for
Representative Nathe
April 19, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 32, line 13, after "district" insert ", including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013"

Renumber accordingly

- 1 used in accordance with this subsection. The proceeds may not be transferred into
2 any other fund.
- 3 3. The board of a school district may levy no more than three mills on the taxable
4 valuation of the district for deposit into a special reserve fund, in accordance with
5 chapter 57-19.
- 6 4. The board of a school district may levy no more than the number of mills necessary,
7 on the taxable valuation of the district, for the payment of tuition, in accordance with
8 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
9 known as the tuition fund and used in accordance with this subsection. The proceeds
10 may not be transferred into any other fund.
- 11 5. Nothing in this section limits the board of a school district from levying:
- 12 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
13 b. Mills necessary to pay principal and interest on the bonded debt of the district,
14 including the mills necessary to pay principal and interest on any bonded debt
15 incurred under section 57-15-17.1 before July 1, 2013.

16 **SECTION 25. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **57-15-14.5. Long-distance learning and educational technology levy –~~Voter approval.~~**

- 19 ~~1. The school board of a public school district may, upon approval by a majority vote of~~
20 ~~the qualified electors of the school district voting on the question at any regular or~~
21 ~~special election, dedicate a tax levy for purposes of this section not to exceed five mills~~
22 ~~on the dollar of taxable valuation of property within the district.~~
- 23 ~~2. All revenue accruing from the levy under this section must be used only for purposes~~
24 ~~of establishing and maintaining long distance learning and purchasing and maintaining~~
25 ~~educational technology. For purposes of this section, educational technology includes~~
26 ~~computer software, computers and computer networks, other computerized~~
27 ~~equipment, which must be used for student instruction, and the salary of a staff person~~
28 ~~to supervise the use and maintenance of educational technology.~~
- 29 ~~3. If the need for the fund terminates, the governing board of the public school district~~
30 ~~shall order the termination of the levy and~~ On July 1, 2013, each school district shall

DATE
CHANGE
FROM
JAN 1
to
July 1

#2A

Second Engrossed HB1319
With Senate Amendments Do Pass 45-0
April 19, 2013

SECTION 1 . AMENDMENT 15-39.1-28 Tax Levy for Teachers' Retirement

Agree for Now

- Moves all levy authority to 57-15.
- Moves voter approved authority to levy tax to 57-15-14

SECTION 2 . AMENDMENT 15.1-09-33 School Board Powers

Agree for Now

- Allows boards to levy taxes as permitted in NDCC 57-15

SECTION 3 . AMENDMENT 15.1-09-39 Districts in Boarding States – Contract

Agree for Now

- Allows boards to levy voter approved taxes as permitted in NDCC 57-15

SECTION 4 . AMENDMENT 15.1-09-40 Sharing of Levied Taxes – Contract

Agree for Now

- Limits levy for school districts contracting to share levied taxes as permitted in NDCC 57-15

SECTION 5 . AMENDMENT 15.1-09-47 Board of education city of Fargo – Taxing Authority

Agree for Now

- Removes all references for Fargo to levy taxes and places their authority within title 15.1 and title 57

SECTION 6 . AMENDMENT 15.1-09-48 Board of education city of Fargo – Tax Collection

Agree for Now

- Perfects this section of law to coincide with title 15 and title 57 language

SECTION 7 . AMENDMENT 15.1-09-49 Board of education city of Fargo – Taxes for buildings

Agree for Now

- Perfects this section of law to coincide with language currently applicable to all districts

SECTION 8 . AMENDMENT 15.1-22-01 Kindergarten – Establishment by Board – Parent Request

Agree for Now

- Drops levy for kindergarten

SECTION 9 . AMENDMENT 15.1-27-03.1 Weighted ADM determination after 9-30-2015

- Resets all weighting factors back to current (2011-13) factors due to sunset on HB1319 in June 30, 2015 with exceptions of testing of students for LD (4020) and use of factor for milk (4023)
- Amended isolated school size from 125 students to 100 students for eligibility (passed 5-0-1) 3/27/13 eliminates double payments
- Changes home based instruction monitoring weighting factor from 0.50 to 0.20
- Requires parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities (passed 4-1-1) 3/26/13
- Adds language to at risk factor for districts to provide for the useage of the funds under federal regulations for the school milk snack better now know as the "Milk Amendment" – Fargo Forum 3/28/13 (passed 5-0-1) 3/27/13

SECTION 10 . AMENDMENT 15.1-27-03.2 School District Size Weighting Factor – Weight Student Units

- Resets all school district weighting factors on a new scale ranging from 1.35 for districts with fewer than 125 students to 1.00 for 900 or more students adds 850 wsu to formula \$7.75 million increase
- Increases special ed weighting factor by .0003 (.0790 to .0820) and adds testing for placement for purposes of identifying. FYs 2013-15) \$5.5 million increase
- Reduces Powerschool factor from .0060 to .0030 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Power school will go down FYs 2013-15
- Reduces REA factor from 0.0040 to 0.0020 because increases generates a lot more funds FYs 2013-15 \$3.7 million savings

SECTION 11 . New Section to 15.1-27-04.1 Baseline Payment – Establishment – Determination of State Aid

- Current state aid payment (2012-13) plus,
- MLRG dollars (2012 taxable value) plus,
- Dollars generated from the total of a district's general fund levy or 110 mills whichever is less plus,

- Long distance learning and technology levy plus,
- and alternative education program levies
- ~~75% of~~ in lieu of moneys received by the district which include:
 - 75% of all mineral revenue
 - 75% of all tuition from sending district except for revenue received for operation of residential treatment facility and tuition received for adult farming management programs (3-20-13 admendment 6-0)
 - 75% of all revenue from distribution and transmission of electric power
 - 75% of all revenue from electricity generated from sources other than coal
 - All (100%) revenue Mobile homes
 - All (100%) revenue from taxes on telecommunications
 - 75% of revenue from leasing of land acquired by the U.S. for which compensation is received
 - All (100%) revenue from taxes on homestead credit and disabled veteran's credit (passed 5-0-1) 3/27/13

- Divided by Districts wsu

For 2013-14 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$8810
- Adjusts product so district gets at least equal to the greater of:
 - 102% or
 - 100% of districts 2012-13 baseline funding per wsu (Baseline minimum)
- Adjusts product so district does not exceed
 - 110% of districts 2012-13 baseline funding per wsu (Baseline maximum)

For 2014-15 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$9092
- Adjusts product so district gets at least equal to the greater of:
 - 104% or
 - 100% of baseline per wsu or 12-13 baseline (Baseline minimum) or
- Adjusts product so district does not exceed
 - 120% or (Baseline maximum)

The NDDPI will then subtract from the above product for each year of the 2013-15 biennium:

- Lowered the local contribution from 70 mills to 50 mills (passed 5-0-1) 3/26/13
- Page 16, line 23, after "district" insert ". however, after 2013 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 section by more than twelve percent" (passed 5-0-1) 3/26/13
- An amount equal to 75% of all "in lieu: of money described above
- The amount remaining will be a districts state aid.

SECTION 12. Section to 15.1-27-04.2 State Aid Minimum Local Effort Determination
Agree for Now

- Districts with state taxable valuation is > 20% (was 40) state will use an amount equal to 50 mills X state Avg Valuation Per Student X wsu of district 3-20-13 admendment 6-0
Cost approx \$10.7 million – impacts 11 districts

SECTION 13. 15.1-27-17 Per Student Payments – Reorganization – Separate Wtng Factor
Agree for Now

- Eliminates prior to June 30, 2007 reorganized schools language and assigns separate weighting factor to any district Reorganized after July 1, 2007.

SECTION 14. 15.1-27-35 Average Daily Membership Calculation
Agree for Now

- Removes current ADM calculation language dealing with 2009-10 and 2010-11 ADM and maintains ADM to be calculated at the conclusion of the school year.

SECTION 15. 15.1-27-35 Payments to School Districts – Unobligated General Fund Fund Balance.

- Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated

general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars. (passed 5-0-1) 3/27/13
Current EFB about \$290 million – 17 districts over threshold – EFB 2002-03 \$160 million

SECTION 16. 15.1-27-39 Annual Salary – Minimum Amount

- Increases minimum teacher salary from \$22,500 to \$27,500 beginning 2014-15
- Heckaman amendment to increase to \$32,000 failed on a 2-4 vote 3/25/13

SECTION 17 New Section 15.1-27-45 Property Tax Relief Fund
Agree for Now

- Sets up method of payment from property tax relief fund to cover monthly distribution of the fund as part of the foundation aid payment to districts.

SECTION 18 15.1-29-15 Levy for Tuition payments
Agree for Now

- Eliminates subdivision c of subsection 1 of 57-15-14.2 (levy for tuition for students grades 7-12) language and only refers to Section 57-15-14.2 of NDCC

SECTION 19 15.1-30-04 Provision of Meals/Lodging for HS Students – Levy
Agree for Now

- Eliminates subdivision of subsection 1 of 57-15-14.2 (levy for meals and lodging for students grades 7-12) but still allows districts to pay a “reasonable allowance” for these costs.

SECTION 20 15.1-36-02 School Construction Loans

- Puts \$50 million from the coal development trust and \$200 million from strategic investments and improvements fund into the school construction loans fund
- Districts with imputed taxable value less than 80% of state average eligible for:
 - \$20million (was \$12million) amount of money available for construction loans at 450 basis points (was 250) below current tax free bond rates
- Districts with imputed taxable value = 80% but > than 90% of state average eligible for \$15 million (was \$10million) or 80% (was 70%) of actual cost for construction loans at 300 basis points (was 200) below current tax free bond rates
- Districts getting loans from oil and gas production tax previous fiscal year:
 - District must provide State Board of University and School Lands that the loan originated under section 57-51.
 - If warrant paid off only by districts allocation from oil/gas tax it does not constitute a general obligation and is not considered debt
 - If loan paid only by districts allocation of oil/gas tax load terms require state treasure to with hold 10% of tax allocation to repay principle
- Any evidence of indebtedness executed by board in this subsection is a negotiable instrument and not subject to taxation
- Districts interest rate may not be less than 1% regardless of any rate discount for which a district may qualify
- Changed language back to the “state treasurer” from “county auditor” for providing indebtedness that loan originated on this section of law and for withholding the dollar amount if loan made from oil and gas production tax.
- Defines “construction loans”.

SECTION 21 40-55-Election to Determine Desirability of Establishing Recreation System – How Called
Agree for Now

- Allows for school district to provide for the establishment of a public recreation system using levies as permitted in section 12-1514.2 instead of subsection q of subsection 1

SECTION 22 40-55-09 -07 Favorable vote election – Procedure
Agree for Now

- Drops language allowing school districts to levy an annual tax for the maintenance of public recreation system as provided in subdivision q of subsection 1 of 57-15-14.2 (establishing/maintaining public recreation system levy)

SECTION 23 57-15-01.1 Protection of taxpayers and taxing districts
Agree for Now

- Changes subsection 3)d and 3)e for determining dollar amount levied in base year:

- 3)d. adds that it can't exceed funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be increased for base year"
- 3)e. adds that it can't be reduced funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be decreased"

SECTION 24 **57-15-14 Voter approval of excess levies in school districts**

- Adds Section 1 to 57-15-14.2 – Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
- New Subsection (e) section 24 for the taxable years beginning 2012:
 - 1) Requires districts whose electors voted to a specific number of mills for taxable years that **includes** 2009 to reduce their levies by 135 mills as a pre-condition to receiving state aid.
 - 2) Requires districts that were approved by electors a levy of a specific number of mills for any time period that **does not** include taxable year 2009 to reduce their levies by 60 mills as a pre-condition to receiving state aid.
 - 3) After June 30, 2013 requires districts who wish to increase their levies by a vote of the electors to have the levy stated as "a specific number of mills of general fund authority and **must** include a statement that the statutory school district GF levy limitation is 60 mills on the taxable valuation.

SECTION 25 **Amends 57-15-14.2 Mill levies requiring board action to: School district levies**

- Page 31, line 28, after the underscored period insert "For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates." (Syncs local contribution to 12% maximum cap) (passed 5-0-1) 3/26/13
 - Eliminates all levies requiring board action and replaces it with the following:
 - Sets maximum levy at 60 mills for "any purpose related to provision of educational purposes".
 - Sets a maximum levy of 12 mills by a school board for "non-educational purposes including transportation, extra-curricular activities and must deposited in a special "miscellaneous fund" and may not be transferred to any other fund
 - A board may levy no more than 3 mills for deposit into a special reserve fund.
 - Board may levy "no more than the number of mills necessary" for HS tuition and the funds must be deposited in a special "tuition fund".
 - Boards are not limited from levying for
 - building fund NDCC 15.1-09-49 and 547-15-16;
 - paying on principal and interest on bonded indebtedness.
 - Replaces "fifteen" with "thirty-five" (Page 28, line 26), replaces "forty" with "sixty" (Page 28, line 30), replaces "eighty" with "sixty" (Page 29, line 6), and replaces "eighty" with "sixty" (Page 31, line 24) (passed 5-0-1) 3/26/13
 - Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, 2013" (Allows for HVAC bonding to still be paid off) (passed 5-0-1) 3/26/13
- *Total mills a district would have at its disposal without a vote of electorate would be:*
- 60mills general fund
12 mills miscellaneous fund for non-educational purposes
72mills
+ XX HS tuition mills

SECTION 26 **57-15-14.5 Long-distance learning and educational technology levy** Agree for Now

- Removes long distance learning and technology levy as of July 1, 2013 and requires the transfer of any balance of these funds remaining a school district's general fund.

SECTION 27 **57-15-17 Disposition of building fund tax** Agree for Now

- Allows fund to be used for:
 - Construction of school district buildings and facilities."
 - Renovation, repair, or expansion of school district buildings and
 - Improvements to school districts buildings, facilities, and real property;
 - Leasing of buildings and facilities.

SECTION 28 **57-15-17.1 Discontinuation of special funds Required**
Agree for Now

- Eliminates all special funds and transfers the money from these funds to the school district's GF by July 1, 2013. Includes: hazardous materials fund; ADA remodeling fund; alternative education fire marshal compliance fund; and HAVC fund

SECTION 29 **57-15-31 Determination of Levy**
Agree for Now

- Eliminates MLRG reporting requirement by DPI superintendent

SECTION 30 **57-19-01 Schools District may establish special reserve fund**

- Requires that the balance of money in the fund may not exceed that which could be produced by the maximum ~~mill~~ levy number of mills allowed by law for that year.
- House may have amendments

SECTION 31 **57-19-02 Special reserve fund - separate trust fund**

- Removes requirement that school board establishes a separate special reserve fund, and requires that the board transfer all income and interest into the earned by the principal in to the general fund. On July 1, 2013 the board must transfer the special reserve fund to its GF any amount that exceeds the limitations in this section.
- House may have amendments

SECTION 32 **57-19-02 When fund may be transferred**
Agree for Now

- Removes requirement that a special reserve fund can be removed by a 60% vote and removes the building fund (can only go to GF) as a place that to which funds may be transferred.
- Also removes the section for discontinuance of special reserve fund to decrease tax levies by no more than 20%

SECTION 33 **County Treasure to Mail Estate Tax Statement**
Agree for Now

- Requires tax statement to state in dollars the amount by which a tax payer's liability has been reduced as a result of mill levy reduction grants provided by state legislature

SECTION 34 **Legislative Management Study – Funding of Education – Accountability – Committee Establishment**

- Requires legislative management appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate for K-12 education
- The committee shall:
 - Define what constitutes "education" for in meeting the state's constitutional requirements
 - Examine the:
 - Distribution of financial/managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, other nonmandatory offerings/services, and school construction
 - Organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency
 - Benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars
 - Define what constitutes "adequacy" for purposes of funding education.
 - Examine:
 - Concepts of accountability in elementary and secondary education;
 - Performance of ND students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement;
 - High school curricular requirements, content standards, and teacher training and qualifications
 - Insert "including the effectiveness of principal, teacher and superintendent evaluation systems. (Poolman amendment passed 5-1)" to determine whether ND are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
 - Report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Following Sections Will Be Taken Up at Next Conference Committee Meeting

SECTION 35 **Appropriation**

- Provides \$100,000 for contracting of consultants and other personal to conduct Legislative Management Study

SECTION 36

Appropriation

- Provides \$250,000 for grants to CTE for implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. Grants given for 2014-15 school year and determined by multiplying the state aid rate (\$9092) times the number of participants not to exceed 30 students.

SECTION 37

Suspension

- Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-5-20, 57-15-14.4, and 57-19-04 if NDCC as of June 30, 2015 (Sunset)

SECTION 38

Suspension

- Chapter 57-64 of NDCC for first two taxable years beginning after December 31, 2012

SECTION 39

Repeals

- Sections 15.1-27-07.1, and chapter 57-19-10 of NDCC

SECTION 40

Expiration Date

- Sections 1- through 12, 15, 16, 20, and 31 are effective through June 30, 2015 and ineffective after that date.

SECTION 412

Effective Date –Expiration Date

- Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012 and are thereafter ineffective.

April 19, 2013

3

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 1, after "15.1-27-45" insert "and a new section to chapter 15.1-35"

Page 1, line 2, after "determination" insert "and use"

Page 20, after line 26, insert:

"**SECTION 19.** A new section to chapter 15.1-35 of the North Dakota Century Code is created and enacted as follows:

Beverages - Snack breaks.

During the 2013-15 biennium, a school district may utilize resources provided in accordance with subsection n of section 15.1-27-03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is provided."

Page 40, line 25, replace "19" with "20"

Page 40, line 25, replace "31" with "32"

Page 40, line 26, replace "2013" with "2015"

Page 40, line 27, replace "20" with "21"

Page 40, line 27, replace "28" with "29"

Renumber accordingly

This is the
"at risk" factor

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 1, line 3, after the first comma insert "15.1-07-32,"

Page 1, line 8, after "districts" insert "and student performance strategist qualifications"

Page 1, after line 21, insert:

"SECTION 2. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet:~~

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement; and serve
2. Serve as a tutor or an instructional coach."

Page 40, line 25, replace "5" with "6"

Page 40, line 25, replace "8" with "9"

Page 40, line 25, replace "10" with "11"

Page 40, line 25, replace "12" with "13"

Page 40, line 25, replace "15" with "16"

Page 40, line 25, replace "19" with "20"

Page 40, line 25, replace "31" with "32"

Page 40, line 26, replace "2013" with "2015"

Page 40, line 27, replace "18" with "19"

Page 40, line 27, replace "20" with "21"

Page 40, line 27, replace "28" with "29"

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 39, after line 13, insert:

**"SECTION 33. FAILED REORGANIZATION - SUPPLEMENTAL ASSISTANCE
PAYMENT.**

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated in a cooperative agreement approved by the superintendent of public instruction;
 - b. During the 2012-13 school year, the patrons of the school district failed to approve a reorganization with the other school districts participating in the cooperative agreement; and
 - c. Students who had attended school in one of the cooperating school districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must equal the amount to which the school district would have been entitled had the students referenced in subdivision c of subsection 1 attended their school district of residence during the 2012-13 school year.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report and shall provide the payment from the integrated formula payments line item in the appropriation bill for the superintendent of public instruction, as enacted by the sixty-third legislative assembly.
4. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly."

Renumber accordingly

13.0278.04037
Title.

Prepared by the Legislative Council staff for
Representative Nathe
April 18, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

Page 21, line 7, replace "Two" with "One"

Renumber accordingly

1 established under section 57-64-05 to property tax relief fund as established by this
2 section and any unobligated balance in the property tax relief sustainability fund must
3 be retained in the property tax relief fund. Moneys in the property tax relief fund may
4 be expended pursuant to legislative appropriations for property tax relief programs.
5 2. On or before the third Monday in each January, February, March, April, August,
6 September, October, November, and December, the office of management and budget
7 shall certify to the superintendent of public instruction the amount of the property tax
8 relief fund. The superintendent shall include the amount certified in determining the
9 state aid payments to which each school district is entitled under chapter 15.1-27.

10 **SECTION 17. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15.1-29-15. Levy for tuition payments.**

13 If the board of a school district approves tuition payments for students in grades seven
14 through twelve or if the board is required to make tuition or tutoring payments under this
15 chapter, the board may levy an amount sufficient to meet such payments, pursuant to
16 ~~subdivision c of subsection 1 of section 57-15-14.2.~~

17 **SECTION 18. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15.1-30-04. Provision of meals and lodging for high school students - Payment**
20 **permitted -Levy.**

21 Instead of providing transportation so that an eligible high school student residing in the
22 district can attend school in another district, a school board may pay a reasonable allowance to
23 the student's parent for costs incurred in the provision of meals and lodging for the student at a
24 location other than the student's residence. ~~A school district that furnishes either transportation~~
25 ~~or an allowance for the provision of meals and lodging for a student under this section may levy~~
26 ~~a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

27 **SECTION 19. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15.1-36-02. School construction projects - Loans.**

30 1. ~~The~~ In order to provide school construction loans, the board of university and school
31 lands may authorize the use of ~~moneys in:~~

- 1 a. Fifty million dollars, or so much of that amount as may be necessary, from the
2 coal development trust fund, established pursuant to section 21 of article X of the
3 Constitution of North Dakota and subsection 1 of section 57-62-02 to provide
4 school construction loans, as described in this chapter. The outstanding principal
5 balance of loans under this chapter may not exceed fifty million dollars. The
6 board may adopt policies and rules governing school construction loans; and
7 b. ~~Two hundred million~~ ^{ONE} dollars from the strategic investment and improvements
8 fund, established pursuant to section 15-08.1-08.
- 9 2. In order to be eligible for a loan under this section, the board of a school district shall:
- 10 a. Propose a construction project with a cost of at least one million dollars and an
11 expected utilization of at least thirty years;
- 12 b. Obtain the approval of the superintendent of public instruction for the construction
13 project under section 15.1-36-01; and
- 14 c. Submit to the superintendent of public instruction an application containing all
15 information deemed necessary by the superintendent, including potential
16 alternative sources or methods of financing the construction project.
- 17 3. ~~The superintendent of public instruction shall give priority to any district that meets the~~
18 ~~requirements for receipt of an equity payment under section 15.1-27-11.~~
- 19 4. If an eligible school district's imputed taxable valuation per student is less than eighty
20 percent of the state average imputed taxable valuation per student, the district is
21 entitled to receive:
- 22 a. A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or
23 ~~eighty~~ ninety percent of the actual project cost;
- 24 b. An interest rate discount equal to at least one hundred but not more than ~~two~~ four
25 hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
- 26 c. A term of repayment that may extend up to twenty years.
- 27 5.4. If an eligible school district's imputed taxable valuation per student is equal to at least
28 eighty percent but less than ninety percent of the state average imputed taxable
29 valuation per student, the district is entitled to receive:
- 30 a. A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or
31 ~~seventy~~ eighty percent of the actual project cost;

#1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 31, remove line 29

Page 31, line 30, replace "valuation of the district for miscellaneous purposes and expenses." with:

- "2. a. If a school district's unobligated general fund balance, as determined by the superintendent of public instruction, is at least equal to ten percent but less than twenty-five percent of the district's actual expenditures, the district may levy up to three mills for miscellaneous purposes and expenses. A district meeting the requirements of this subdivision may increase this levy by up to three additional mills per year, but may not exceed a maximum levy of twelve mills under this subsection.
- b. If a school district's unobligated general fund balance, as determined by the superintendent of public instruction, is less than ten percent of the district's actual expenditures, the district may levy up to six mills for miscellaneous purposes and expenses. A district meeting the requirements of this subdivision may increase this levy by up to six additional mills per year, but may not exceed a maximum levy of twelve mills under this subsection.
- c. "

Renumber accordingly

- 1 n. Establishing and maintaining school library services.
- 2 o. Equipping schoolbuses with two-way communications and central station
- 3 equipment and providing for the installation and maintenance of such equipment.
- 4 p. Establishing free public kindergartens in connection with the public schools of the
- 5 district for the instruction of resident children below school age during the regular
- 6 school term.
- 7 q. Establishing, maintaining, and conducting a public recreation system.
- 8 r. The district's share of contribution to finance an interdistrict cooperative
- 9 agreement authorized by section 15.1-09-40.
- 10 2. This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of
- 11 subsection 1. If a school district maintained a levy to finance either its participation in a
- 12 cooperative career and technical education program or its sponsorship of
- 13 single district career and technical education programs prior to July 1, 1983, and the
- 14 district discontinues its participation in or sponsorship of those career and technical
- 15 education programs, that district must reduce the proposed aggregated expenditure
- 16 amount for which its general fund levy is used by the dollar amount raised by its prior
- 17 levy for the funding of those programs.
- 18 3. All proceeds of any levy established pursuant to this section must be placed in the
- 19 school district's general fund account and may be expended to achieve the purposes
- 20 for which the taxes authorized by this section are levied. Proceeds from levies
- 21 established pursuant to this section and funds provided to school districts pursuant to
- 22 chapter 15.1-27 may not be transferred to the building fund within the school district.
- 23 1. The board of a school district may levy a tax not exceeding the amount in dollars that
- 24 the school district levied for the prior year, plus twelve percent, up to a levy of eighty
- 25 mills on the taxable valuation of the district for any purpose related to the provision of
- 26 educational services. The proceeds of this levy must be deposited into the school
- 27 district's general fund and used in accordance with this subsection. The proceeds may
- 28 not be transferred into any other fund.
- 29 ~~2. The board of a school district may levy no more than twelve mills on the taxable~~
- 30 ~~valuation of the district for miscellaneous purposes and expenses.~~

- 1 a. If a school district's unobligated general fund balance, as determined by the
2 superintendent of public instruction, is at least equal to ten percent but less than
3 twenty-five percent of the district's actual expenditures, the district may levy up to
4 three mills for miscellaneous purposes and expenses. A district meeting the
5 requirements of this subdivision may increase this levy by up to three additional
6 mills per year, but may not exceed a maximum levy of twelve mills under this
7 subsection.
- 8 b. If a school district's unobligated general fund balance, as determined by the
9 superintendent of public instruction, is less than ten percent of the district's actual
10 expenditures, the district may levy up to six mills for miscellaneous purposes and
11 expenses. A district meeting the requirements of this subdivision may increase
12 this levy by up to six additional mills per year, but may not exceed a maximum
13 levy of twelve mills under this subsection.
- 14 c. The proceeds of this levy must be deposited into a special fund known as the
15 miscellaneous fund and used in accordance with this subsection. The proceeds
16 may not be transferred into any other fund.
- 17 3. The board of a school district may levy no more than three mills on the taxable
18 valuation of the district for deposit into a special reserve fund, in accordance with
19 chapter 57-19.
- 20 4. The board of a school district may levy no more than the number of mills necessary,
21 on the taxable valuation of the district, for the payment of tuition, in accordance with
22 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
23 known as the tuition fund and used in accordance with this subsection. The proceeds
24 may not be transferred into any other fund.
- 25 5. Nothing in this section limits the board of a school district from levying:
 - 26 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - 27 b. Mills necessary to pay principal and interest on the bonded debt of the district.

28 **SECTION 25. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is
29 amended and reenacted as follows:

Nathe, Mike R.

2

From: Headland, Craig A.
Sent: Monday, April 22, 2013 4:40 PM
To: Nathe, Mike R.
Subject: FW: 1319

Rep. Craig Headland
Finance and Tax (Vice Chair)
Agriculture

-----Original Message-----

From: Brian Duchscherer [<mailto:Brian.Duchscherer@sendit.nodak.edu>]
Sent: Monday, April 22, 2013 3:59 PM
To: Headland, Craig A.
Cc: Mitch Carlson; Brian Duchscherer
Subject: Re: 1319

Craig

Thanks for the email and asking for our thoughts in regard to HB1319.

Section 9 (k) (1) Testing of students

This section will be a hardship on all school districts. Our school would not have enough qualified employees to comply with this section of the bill. I do not believe we need another state mandated test within our school system, thus I recommend this section be removed from the bill.

Section 9 (m) Milk provision

This section is another unfunded mandate from the state to the local districts. There is no new money being allocated for school to provide the milk or juice to students. I recommend this section be removed from the bill or be funded by the state with additional money to school districts for this program.

Section 11 (1) (b) & (c)

Both of these line items reference a historical tax levy. I believe you already know the Carrington school district's position on this issue.

I agree with Mitch Carlson on the mill levy be set at 50 mills. I believe most school districts will have to max out (50 mills + 22 mills = 72 mills) on their local school levy fund, to secure the resources to meet their current educational programs needs.

Once again, thanks for asking for our thoughts.

Brian Duchscherer

Gentlemen,

I am sure you have been made aware that I have been appointed to the conference committee on HB 1319, I would ask that you contact me with anything within the Senate version of the bill that generates concern. I am aware of prior emails of parental testing and I will work to get that language out. I need to know what else causes consternation in what remains. My responsibility with being on the committee is to insure the property tax payer is receiving the reduction being picked up by the state.

Rep. Craig Headland
Finance and Tax (Vice Chair)
Agriculture

[Description:

http://www.statesymbolsusa.org/IMAGES/North_Dakota/North-Dakota-State-Seal.jpg]
<http://www.google.com/url?sa=i&rct=j&q=seal+of+nd&source=images&cd=&cad=rja&docid=WS8Edwt1Knx9UM&tbnid=5HlJnh0CTn3_mM:&ved=0CAUQiRw&url=http://www.statesymbolsusa.org/North_Dakota/stateSEAL.html&ei=PeNiUealO6GY2AW6oYGwCg&bvm=bv.44770516,d.b2l&psig=AFQjCNHZVx_MAndTYFUjOKYOH_TCduuTiA&ust=1365521593768179>

SECURITY REMINDER:

DO NOT give your e-mail login and password to anyone. EduTech will NEVER ask you to provide this information. If this message is asking for personal information, it did not come from EduTech. - Vaccine5

Brian Duchscherer, Superintendent
Carrington Public School
P.O. Box 48
Carrington ND 58421
701-652-3136

Nathe, Mike R.

From: Headland, Craig A.
Sent: Monday, April 22, 2013 4:40 PM
To: Nathe, Mike R.
Subject: FW: 1319

Rep. Craig Headland
 Finance and Tax (Vice Chair)
 Agriculture



From: Mitch Carlson [<mailto:Mitch.Carlson@sendit.nodak.edu>]
Sent: Monday, April 22, 2013 2:58 PM
To: Headland, Craig A.; 'Brian Duchscherer'
Subject: RE: 1319

Couple thoughts –

Section 9 –

1. The testing issue is a big issue in matters of staffing. Even though it's vague, we don't have enough qualified people in the state to do the testing I think they are referring to.
2. The milk issue in the bill. It states there has to be milk break for free / reduced students. Although we do it now in our school to all students in K-6 – I am not sure how manageable that is to larger schools. Plus the provision states all students so I am assuming that would be K-12. That is going to be very cumbersome and embarrassing to older students. I think it should be left out and left for local decision making as we did three years ago to give all kids milk in the afternoon in k-6.

Section 11 –

3. I still don't think the baseline funding is equitable. It is still based on historic tax levies of 2008. Although that is only used when your off the formula (at the current time we are on the formula). There are so many variables that we may be unaware of, we can be off of the formula in a few years. If we are off of the formula – our school gets paid about \$900 less than a neighboring school per student. All because of lower levy in 2008.
4. There has been some tinkering with formula. We have not received any new printouts for schools since March 11. We are not even sure how it effects schools with the tinkering that was done since early March. Cannot comment on items that we have not received information on. I have been assuming since we have not received any new printouts – there has not been a major effect.

Couple other thoughts

The 70 mills went down to 50 mills. If you want some tax relief for patrons, it needs to be at 50. If it stays at 70, the majority of patrons will see little if any property tax relief from the school system. Most schools are nervous about the new funding plan. The first year it looks good, but are unclear about subsequent years (2 or 4 years down the

road). You will see most schools at the cap in mills next year because of the uncertainty. That is why most school will be at 50+12 or at 62, plus the 10 mills for transportation and technology. That will put most schools at 72 maximum. Current maximum now is 110.

SB 2036 – this is just one of many property tax relief bills and not sure how all these fit in the equation on 1319

It is too late in the ball game to make any major changes. I feel the commission on education should be reinstated to cover these types of items between sessions. It just seems like the last two years – everything is rushed into without knowing the full ramifications of the bills and the last minute changes made.

Hope the session ends well

From: Headland, Craig A. [<mailto:cheadland@nd.gov>]

Sent: Monday, April 22, 2013 11:33 AM

To: Mitch Carlson; Brian Duchscherer

Subject: 1319

Gentlemen,

I am sure you have been made aware that I have been appointed to the conference committee on HB 1319, I would ask that you contact me with anything within the Senate version of the bill that generates concern. I am aware of prior emails of parental testing and I will work to get that language out. I need to know what else causes consternation in what remains. My responsibility with being on the committee is to insure the property tax payer is receiving the reduction being picked up by the state.

Rep. Craig Headland
Finance and Tax (Vice Chair)
Agriculture



--

SECURITY REMINDER:

DO NOT give your e-mail login and password to anyone. EduTech will NEVER ask you to provide this information. If this message is asking for personal information, it did not come from EduTech. - Vaccine5

4/22/13

Second Engrossment HB1319
With Senate Amendments Do Pass 45-0
April 20, 2013

SECTION 1 . AMENDMENT 15-39.1-28 Tax Levy for Teachers' Retirement

Agree for Now

- Moves all levy authority to 57-15.
- Moves voter approved authority to levy tax to 57-15-14

SECTION 2. AMENDMENT 15.1-09-33 School Board Powers

Agree for Now

- Allows boards to levy taxes as permitted in NDCC 57-15

SECTION 3 . AMENDMENT 15.1-09-39 Districts in Boarding States – Contract

Agree for Now

- Allows boards to levy voter approved taxes as permitted in NDCC 57-15

SECTION 4. AMENDMENT 15.1-09-40 Sharing of Levied Taxes – Contract

Agree for Now

- Limits levy for school districts contracting to share levied taxes as permitted in NDCC 57-15

SECTION 5 . AMENDMENT 15.1-09-47 Board of education city of Fargo – Taxing Authority

Agree for Now

- Removes all references for Fargo to levy taxes and places their authority within title 15.1 and title 57

SECTION 6. AMENDMENT 15.1-09-48 Board of education city of Fargo – Tax Collection

Agree for Now

- Perfects this section of law to coincide with title 15 and title 57 language

SECTION 7. AMENDMENT 15.1-09-49 Board of education city of Fargo – Taxes for buildings

Agree for Now

- Perfects this section of law to coincide with language currently applicable to all districts

SECTION 8. AMENDMENT 15.1-22-01 Kindergarten – Establishment by Board – Parent Request

Agree for Now

- Drops levy for kindergarten

SECTION 9. AMENDMENT 15.1-27-03.1 Weighted ADM determination after 9-30-2015

- Resets all weighting factors back to current (2011-13) factors due to sunset on HB1319 in June 30, 2015 with exceptions of testing of students for LD (4020) and use of factor for milk (4023)
- Amended isolated school size from 125 students to 100 students for eligibility (passed 5-0-1) 3/27/13 senate - eliminates double payments (isolated schools increased with new small schools weighting factor – this would give them an additional 0.10 (1.35) – about \$900/student more (3-20-13)
- Changes home based instruction monitoring weighting factor from 0.50 to 0.20
- Requires parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities (passed 4-1-1) 3/26/13 Discussed rationale for keeping this amendment in the bill (senate) and reasons for taking it out (house) – no action taken (4-20-13)
- Adds language to at risk factor for districts to provide for the usage of the funds under federal regulations for the school milk snack better now known as the "Milk Amendment" – Fargo Forum 3/28/13 (passed 5-0-1) 3/27/13 - amendment to put language as "may" use the funds so that it is permissive – will be taken of HB1319 so it is not part of the weighting factors and will be put in Food and Nutrition Section of NDCC 15.1-35 (4-20-13)

SECTION 10 . AMENDMENT 15.1-27-03.2 School District Size Weighting Factor – Weight Student Units

- Resets all school district weighting factors on a new scale ranging from 1.35 for districts with fewer than 125 students to 1.00 for 900 or more students adds 850 wsu to formula \$7.75 million increase
- Increases special ed weighting factor by .0003 (.0790 to .0820) and adds testing for placement for purposes of identifying. FYs 2013-15) \$5.5 million increase
- Reduces Powerschool factor from .0060 to .0030 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Power school will go down FYs 2013-15
- Reduces REA factor from 0.0040 to 0.0020 because increases generates a lot more funds FYs 2013-15 \$3.7 million savings

SECTION 11 . New Section to 15.1-27-04.1 Baseline Payment – Establishment – Determination of State Aid

- Current state aid payment (2012-13) plus,
- MLRG dollars (2012 taxable value) plus,
- Dollars generated from the total of a district's general fund levy or 110 mills whichever is less plus,
- Long distance learning and technology levy plus,
- and alternative education program levies
- ~~75% of~~ in lieu of moneys received by the district which include:
 - 75% of all mineral revenue
 - 75% of all tuition from sending district except for revenue received for operation of residential treatment facility and tuition received for adult farming management programs (3-20-13 admendment 6-0)
 - 75% of all revenue from distribution and transmission of electric power
 - 75% of all revenue from electricity generated from sources other than coal
 - All (100%) revenue Mobile homes
 - All (100%) revenue from taxes on telecommunications
 - 75% of revenue from leasing of land acquired by the U.S. for which compensation is received
 - All (100%) revenue from taxes on homestead credit and disabled veteran's credit (passed 5-0-1 3/27/13)

- Divided by Districts wsu

For 2013-14 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$8810
- Adjusts product so district gets at least equal to the greater of:
 - 102% or
 - 100% of districts 2012-13 baseline funding per wsu (Baseline minimum)
- Adjusts product so district does not exceed
 - 110% of districts 2012-13 baseline funding per wsu (Baseline maximum)

For 2014-15 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$9092
- Adjusts product so district gets at least equal to the greater of:
 - 104% or
 - 100% of baseline per wsu or 12-13 baseline (Baseline minimum) or
- Adjusts product so district does not exceed
 - 120% or (Baseline maximum)

The NDDPI will then subtract from the above product for each year of the 2013-15 biennium:

- Lowered the local contribution from 70 mills to 50 mills (passed 5-0-1) 3/26/13
- Page 16, line 23, after "district" insert ", however, after 2013 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 section by more than twelve percent" (passed 5-0-1) 3/26/13
- An amount equal to 75% of all "in lieu: of money described above
- The amount remaining will be a districts state aid.

SECTION 12 . Section to 15.1-27-04.2 State Aid Minimum Local Effort Determination

Agree for Now

- Districts with state taxable valuation is > 20% (was 40) state will use an amount equal to 50 mills X state Avg Valuation Per Student X wsu of district 3-20-13 admendment 6-0
Cost approx \$10.7 million – impacts 11 districts (4-19-13)

SECTION 13 . 15.1-27-17 Per Student Payments –Reorganization – Separate Wtng Factor

Agree for Now

- Eliminates prior to June 30, 2007 reorganized schools language and assigns separate weighting factor to any district Reorganized after July 1, 2007.

SECTION 14 . 15.1-27-35 Average Daily Membership Calculation

Agree for Now

- Removes current ADM calculation language dealing with 2009-10 and 2010-11 ADM and maintains ADM to be calculated at the conclusion of the school year.

SECTION 15. 15.1-27-35 Payments to School Districts – Unobligated General Fund Fund Balance.

- Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars. (passed 5-0-1) 3/27/13 **Current EFB about \$290 million – 17 districts over threshold – EFB 2002-03 \$160 million (4-19-13)**

SECTION 16. 15.1-27-39 Annual Salary – Minimum Amount

- Increases minimum teacher salary from \$22,500 to \$27,500 beginning 2014-15
- Heckaman amendment to increase to \$32,000 failed on a 2-4 vote 3/25/13

SECTION 17 New Section 15.1-27-45 Property Tax Relief Fund
Agree for Now

- Sets up method of payment from property tax relief fund to cover monthly distribution of the fund as part of the foundation aid payment to districts.

SECTION 18 15.1-29-15 Levy for Tuition payments
Agree for Now

- Eliminates subdivision c of subsection 1 of 57-15-14.2 (levy for tuition for students grades 7-12) language and only refers to Section 57-15-14.2 of NDCC

SECTION 19 15.1-30-04 Provision of Meals/Lodging for HS Students – Levy
Agree for Now

- Eliminates subdivision of subsection 1 of 57-15-14.2 (levy for meals and lodging for students grades 7-12) but still allows districts to pay a “reasonable allowance” for these costs.

SECTION 20 15.1-36-02 School Construction Loans

- Puts \$50 million from the coal development trust and \$200 million from strategic investments and improvements fund into the school construction loans fund
- Districts with imputed taxable value less than 80% of state average eligible for:
 - \$20million (was \$12million) amount of money available for construction loans at 450 basis points (was 250) below current tax free bond rates
- Districts with imputed taxable value = 80% but > than 90% of state average eligible for \$15 million (was \$10million) or 80% (was 70%) of actual cost for construction loans at 300 basis points (was 200) below current tax free bond rates
- Districts getting loans from oil and gas production tax previous fiscal year:
 - District must provide State Board of University and School Lands that the loan originated under section 57-51.
 - If warrant paid off only by districts allocation from oil/gas tax it does not constitute a general obligation and is not considered debt
 - If loan paid only by districts allocation of oil/gas tax load terms require state treasure to with hold 10% of tax allocation to repay principle
- Any evidence of indebtedness executed by board in this subsection is a negotiable instrument and not subject to taxation
- Districts interest rate may not be less than 1% regardless of any rate discount for which a district may qualify
- Changed language back to the “state treasurer” from “county auditor” for providing indeptedness that loan originated on this section of law and for withholding the dollar amount if loan made from oil ad gas production tax.
- Defines “construction loans”.

SECTION 21 40-55-Election to Determine Desirability of Establishing Recreation System – How Called
Agree for Now

- Allows for school district to provide for the establishment of a public recreation system using levies as permitted in section 12-1514.2 instead of subsection q of subsection 1

SECTION 22 **40-55-09 -07 Favorable vote election – Procedure**
Agree for Now

- Drops language allowing school districts to levy an annual tax for the maintenance of public recreation system as provided in subdivision q of subsection 1 of 57-15-14.2 (establishing/maintaining public recreation system levy)

SECTION 23 **57-15-01.1 Protection of taxpayers and taxing districts**
Agree for Now

- Changes subsection 3)d and 3)e for determining dollar amount levied in base year:
 - 3)d. adds that it can't exceed funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be increased for base year
 - 3)e. adds that it can't be reduced funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be decreased

SECTION 24 **57-15-14 Voter approval of excess levies in school districts**

- Adds Section 1 to 57-15-14.2 – Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
- New Subsection (e) section 24 for the taxable years beginning 2012:
 - 1) Requires districts whose electors voted to a specific number of mills for taxable years that **includes** 2009 to reduce their levies by 135 mills as a pre-condition to receiving state aid.
 - 2) Requires districts that were approved by electors a levy of a specific number of mills for any time period that **does not** include taxable year 2009 to reduce their levies by 60 mills as a pre-condition to receiving state aid.
 - 3) After June 30, 2013 requires districts who wish to increase their levies by a vote of the electors to have the levy stated as "a specific number of mills of general fund authority and **must** include a statement that the statutory school district GF levy limitation is 60 mills on the taxable valuation.

SECTION 25 **Amends 57-15-14.2 Mill levies requiring board action to: School district levies**

- Page 31, line 28, after the underscored period insert "For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates." (Syncs local contribution to 12% maximum cap) (passed 5-0-1) 3/26/13
- Eliminates all levies requiring board action and replaces it with the following:
- Sets maximum levy at 60 mills for "any purpose related to provision of educational purposes".
- Sets a maximum levy of 12 mills by a school board for "non-educational purposes including transportation, extra-curricular activities and must deposited in a special "miscellaneous fund" and may not be transferred to any other fund
- A board may levy no more than 3 mills for deposit into a special reserve fund.
- Board may levy "no more than the number of mills necessary" for HS tuition and the funds must be deposited in a special "tuition fund".
- Boards are not limited from levying for
 - building fund NDCC 15.1-09-49 and 547-15-16;
 - paying on principal and interest on bonded indebtedness,
- Replaces "fifteen" with "thirty-five" (Page 28, line 26), replaces "forty" with "sixty" (Page 28, line 30), replaces "eighty" with "sixty" (Page 29, line 6), and replaces "eighty" with "sixty" (Page 31, line 24) (passed 5-0-1) 3/26/13
- Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, 2013" (Allows for HVAC bonding to still be paid off) (passed 5-0-1) 3/26/13 **Amendment 4036 – changed date from January 1, 2013 to June 30, 2013 – Passed 6-0 (4-20-13) – impacts about six school districts that are currently seeking to refinance or pass HVAC bonds – IRS rules – can't start work on projects until after bonding has been approved (4-20-13)**

➤ *Total mills a district would have at its disposal without a vote of electorate would be:*

60mills general fund

12 mills miscellaneous fund for non-educational purposes

72mills

+ XX HS tuition mills

SECTION 26 **57-15-14.5 Long-distance learning and educational technology levy**

Agree for Now

- Removes long distance learning and technology levy as of July 1, 2013 and requires the transfer of any balance of these funds remaining a school district's general fund.

SECTION 27

Agree for Now

57-15-17 Disposition of building fund tax

- Allows fund to be used for:
 - Construction of school district buildings and facilities."
 - Renovation, repair, or expansion of school district buildings and
 - Improvements to school districts buildings, facilities, and real property;
 - Leasing of buildings and facilities.

SECTION 28

Agree for Now

57-15-17.1 Discontinuation of special funds Required

- Eliminates all special funds and transfers the money from these funds to the school district's GF by July 1, 2013. Includes: hazardous materials fund; ADA remodeling fund; alternative education fire marshal compliance fund; and HAVC fund

SECTION 29

Agree for Now

57-15-31 Determination of Levy

- Eliminates MLRG reporting requirement by DPI superintendent

SECTION 30

57-19-01 Schools District may establish special reserve fund

- Requires that the balance of money in the fund may not exceed that which could be produced by the maximum ~~mill~~ levy number of mills allowed by law for that year.
- **House may have amendments (4-19-13)**

SECTION 31

57-19-02 Special reserve fund - separate trust fund

- Removes requirement that school board establishes a separate special reserve fund, and requires that the board transfer all income and interest into the earned by the principal in to the general fund. On July 1, 2013 the board must transfer the special reserve fund to its GF any amount that exceeds the limitations in this section.
- **House may have amendments (4-19-13)**

SECTION 32

Agree for Now

57-19-02 When fund may be transferred

- Removes requirement that a special reserve fund can be removed by a 60% vote and removes the building fund (can only go to GF) as a place that to which funds may be transferred.
- Also removes the section for discontinuance of special reserve fund to decrease tax levies by no more than 20%

SECTION 33

County Treasurer to Mail Estate Tax Statement

- Requires tax statement to state in dollars the amount by which a tax payer's liability has been reduced as a result of mill levy reduction grants provided by state legislature **House amendment to subsection 4 a) & b) which would make it clearer as to how much property tax relief property owners were getting based on mill comparisons from 2009 to current mills. Discussion on need to include dollars. Will take up on 4-22-13 (4-20-13)**

SECTION 34

Legislative Management Study – Funding of Education – Accountability – Committee Establishment

- Requires legislative management appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate for K-12 education
- The committee shall:
 - Define what constitutes "education" for in meeting the state's constitutional requirements
 - Examine the:
 - Distribution of financial/managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, other nonmandatory offerings/services, and school construction
 - Organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency
 - Benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars
 - Define what constitutes "adequacy" for purposes of funding education.
 - Examine:

- Concepts of accountability in elementary and secondary education;
- Performance of ND students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement;
- High school curricular requirements, content standards, and teacher training and qualifications
- Insert “including the effectiveness of principal, teacher and superintendent evaluation systems, (Poolman amendment passed 5-1) to determine whether ND are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
- Report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Following Sections Will Be Taken Up at Next Conference Committee Meeting

SECTION 35 Appropriation

- Provides \$100,000 for contracting of consultants and other personal to conduct Legislative Management Study

SECTION 36 Appropriation

- Provides \$250,000 for grants to CTE for implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. Grants given for 2014-15 school year and determined by multiplying the state aid rate (\$9092) times the number of participants not to exceed 30 students.

SECTION 37 Suspension

- Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-5-20, 57-15-14.4, and 57-19-04 if NDCC as of June 30, 2015 (Sunset)

SECTION 38 Suspension

- Chapter 57-64 of NDCC for first two taxable years beginning after December 31, 2012

SECTION 39 Repeals

- Sections 15.1-27-07.1, and chapter 57-19-10 of NDCC

SECTION 40 Expiration Date

- Sections 1- through 12, 15,16,20, and 31 are effective through June 30, 2015 and ineffective after that date.

SECTION 412 Effective Date –Expiration Date

- Sections 1, 5, 8,19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012 and are there after ineffective.

Representative Schatz’s amendment to reinstate the Veterans Preference Language from SB2201 into HB1319 will be discussed on Monday (4-19-13)

#1 4/23

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 39, replace lines 5 through 11 with:

- "4. a. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
- b. Beginning with the 2013 tax statement and the 2014 mobile home property tax statement, each county must also include the following information in substantially the following form:
- "The 2008-2009 school district levy on this parcel was _____ mills (_____ dollars) for general fund purposes and _____ mills (_____ dollars) for all other purposes.
- The (current year) school district levy on this parcel is _____ mills (_____ dollars) for general fund purposes and _____ mills (_____ dollars) for all other purposes. As a result of state legislation, your school district has received _____ dollars for property tax reductions since 2008-2009."

Renumber accordingly

April 22, 2013

#2
4/23 Am

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 3, after the first comma insert "15.1-07-32,"

Page 1, line 8, after "districts" insert "and student performance strategist qualifications"

Page 1, after line 21, insert:

"SECTION 2. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~:

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and serve
2. Serve as a tutor or an instructional coach."

Page 40, line 25, replace "5" with "6"

Page 40, line 25, replace "8" with "9"

Page 40, line 25, replace "10" with "11"

Page 40, line 25, replace "12" with "13"

Page 40, line 25, replace "15" with "16"

Page 40, line 25, replace "19" with "20"

Page 40, line 25, replace "31" with "32"

Page 40, line 26, replace "2013" with "2015"

Page 40, line 27, replace "18" with "19"

Page 40, line 27, replace "20" with "21"

Page 40, line 27, replace "28" with "29"

Renumber accordingly

#1

Second Engrossment HB1319
With Senate Amendments Do Pass 45-0
April 23, 2013

SECTION 1 . AMENDMENT 15-39.1-28 Tax Levy for Teachers' Retirement

Agree for Now

- Moves all levy authority to 57-15.
- Moves voter approved authority to levy tax to 57-15-14

SECTION 2. AMENDMENT 15.1-09-33 School Board Powers

Agree for Now

- Allows boards to levy taxes as permitted in NDCC 57-15

SECTION 3 . AMENDMENT 15.1-09-39 Districts in Boarding States – Contract

Agree for Now

- Allows boards to levy voter approved taxes as permitted in NDCC 57-15

SECTION 4. AMENDMENT 15.1-09-40 Sharing of Levied Taxes – Contract

Agree for Now

- Limits levy for school districts contracting to share levied taxes as permitted in NDCC 57-15

SECTION 5 . AMENDMENT 15.1-09-47 Board of education city of Fargo – Taxing Authority

Agree for Now

- Removes all references for Fargo to levy taxes and places their authority within title 15.1 and title 57

SECTION 6. AMENDMENT 15.1-09-48 Board of education city of Fargo – Tax Collection

Agree for Now

- Perfects this section of law to coincide with title 15 and title 57 language

SECTION 7. AMENDMENT 15.1-09-49 Board of education city of Fargo – Taxes for buildings

Agree for Now

- Perfects this section of law to coincide with language currently applicable to all districts

SECTION 8. AMENDMENT 15.1-22-01 Kindergarten – Establishment by Board – Parent Request

Agree for Now

- Drops levy for kindergarten

SECTION 9. AMENDMENT 15.1-27-03.1 Weighted ADM determination after 9-30-2015

- Resets all weighting factors back to current (2011-13) factors due to sunset on HB1319 in June 30, 2015 with exceptions of testing of students for LD (4020) and use of factor for milk (4023)
- Amended isolated school size from 125 students to 100 students for eligibility (passed 5-0-1) 3/27/13 senate - eliminates double payments (isolated schools increased with new small schools weighting factor – this would give them an additional 0.10 (1.35) – about \$900/student more (3-20-13)
- Changes home based instruction monitoring weighting factor from 0.50 to 0.20
- Requires parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities (passed 4-1-1) 3/26/13 Discussed rationale for keeping this amendment in the bill (senate) and reasons for taking it out (house) – no action taken (4-20-13)
- Adds language to at risk factor for districts to provide for the usage of the funds under federal regulations for the school milk snack better now known as the “Milk Amendment” – Fargo Forum 3/28/13 (passed 5-0-1) 3/27/13 - amendment to put language as “may” use the funds so that it is permissive – will be taken of HB1319 so it is not part of the weighting factors and will be put in Food and Nutrition Section of NDCC 15.1-35 (4-20-13)

SECTION 10 . AMENDMENT 15.1-27-03.2 School District Size Weighting Factor – Weight Student Units

- Resets all school district weighting factors on a new scale ranging from 1.35 for districts with fewer than 125 students to 1.00 for 900 or more students adds 850 wsu to formula \$7.75 million increase
- Increases special ed weighting factor by .0003 (.0790 to .0820) and adds testing for placement for purposes of identifying. FYs 2013-15) \$5.5 million increase
- Reduces Powerschool factor from .0060 to .0030 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Power school will go down FYs 2013-15
- Reduces REA factor from 0.0040 to 0.0020 because increases generates a lot more funds FYs 2013-15 \$3.7 million savings

SECTION 11 . New Section to 15.1-27-04.1 Baseline Payment – Establishment – Determination of State Aid

- Current state aid payment (2012-13) plus,
- MLRG dollars (2012 taxable value) plus,
- Dollars generated from the total of a district's general fund levy or 110 mills whichever is less plus,
- Long distance learning and technology levy plus,
- and alternative education program levies
- ~~75% of~~ in lieu of moneys received by the district which include:
 - 75% of all mineral revenue
 - 75% of all tuition from sending district except for revenue received for operation of residential treatment facility and tuition received for adult farming management programs (3-20-13 admendment 6-0)
 - 75% of all revenue from distribution and transmission of electric power
 - 75% of all revenue from electricity generated from sources other than coal
 - All (100%) revenue Mobile homes
 - All (100%) revenue from taxes on telecommunications
 - 75% of revenue from leasing of land acquired by the U.S. for which compensation is received
 - All (100%) revenue from taxes on homestead credit and disabled veteran's credit (passed 5-0-1) 3/27/13
- Divided by Districts wsu

For 2013-14 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$8810
- Adjusts product so district gets at least equal to the greater of:
 - 102% or
 - 100% of districts 2012-13 baseline funding per wsu (Baseline minimum)
- Adjusts product so district does not exceed
 - 110% of districts 2012-13 baseline funding per wsu (Baseline maximum)

For 2014-15 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$9092
- Adjusts product so district gets at least equal to the greater of:
 - 104% or
 - 100% of baseline per wsu or 12-13 baseline (Baseline minimum) or
- Adjusts product so district does not exceed
 - 120% or (Baseline maximum)

The NDDPI will then subtract from the above product for each year of the 2013-15 biennium:

- Lowered the local contribution from 70 mills to 50 mills (passed 5-0-1) 3/26/13
- Page 16, line 23, after "district" insert ", however, after 2013 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 section by more than twelve percent" (passed 5-0-1) 3/26/13
- An amount equal to 75% of all "in lieu: of money described above
- The amount remaining will be a districts state aid.

SECTION 12 . Section to 15.1-27-04.2 State Aid Minimum Local Effort Determination

Agree for Now

- Districts with state taxable valuation is > 20% (was 40) state will use an amount equal to 50 mills X state Avg Valuation Per Student X wsu of district 3-20-13 admendment 6-0
Cost approx \$10.7 million – impacts 11 districts (4-19-13)

SECTION 13 . 15.1-27-17 Per Student Payments –Reorganization – Separate Wtng Factor

Agree for Now

- Eliminates prior to June 30, 2007 reorganized schools language and assigns separate weighting factor to any district Reorganized after July 1, 2007.

SECTION 14 . 15.1-27-35 Average Daily Membership Calculation

Agree for Now

- Removes current ADM calculation language dealing with 2009-10 and 2010-11 ADM and maintains ADM to be calculated at the conclusion of the school year.

SECTION 15. 15.1-27-35 Payments to School Districts – Unobligated General Fund Fund Balance.

- Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars. (passed 5-0-1) 3/27/13 Current EFB about \$290 million – 17 districts over threshold – EFB 2002-03 \$160 million (4-19-13)

SECTION 16. 15.1-27-39 Annual Salary – Minimum Amount

- Increases minimum teacher salary from \$22,500 to \$27,500 beginning 2014-15
- Heckaman amendment to increase to \$32,000 failed on a 2-4 vote 3/25/13

SECTION 17 New Section 15.1-27-45 Property Tax Relief Fund

Agree for Now

- Sets up method of payment from property tax relief fund to cover monthly distribution of the fund as part of the foundation aid payment to districts.

SECTION 18 15.1-29-15 Levy for Tuition payments

Agree for Now

- Eliminates subdivision c of subsection 1 of 57-15-14.2 (levy for tuition for students grades 7-12) language and only refers to Section 57-15-14.2 of NDCC

SECTION 19 15.1-30-04 Provision of Meals/Lodging for HS Students – Levy

Agree for Now

- Eliminates subdivision of subsection 1 of 57-15-14.2 (levy for meals and lodging for students grades 7-12) but still allows districts to pay a “reasonable allowance” for these costs.

SECTION 20 15.1-36-02 School Construction Loans

- Puts \$50 million from the coal development trust and \$200 million from strategic investments and improvements fund into the school construction loans fund
House amendment to reduce to \$100 from strategic investment fund – allows \$100 for construction loans to hospitals in western ND in SB2187 – no action taken (4-22-13)
- Districts with imputed taxable value less than 80% of state average eligible for:
 - \$20million (was \$12million) amount of money available for construction loans at 450 basis points (was 250) below current tax free bond rates
- Districts with imputed taxable value = 80% but > than 90% of state average eligible for \$15 million (was \$10million) or 80% (was 70%) of actual cost for construction loans at 300 basis points (was 200) below current tax free bond rates
- Districts getting loans from oil and gas production tax previous fiscal year:
 - District must provide State Board of University and School Lands that the loan originated under section 57-51.
 - If warrant paid off only by districts allocation from oil/gas tax it does not constitute a general obligation and is not considered debt
 - If loan paid only by districts allocation of oil/gas tax load terms require state treasure to with hold 10% of tax allocation to repay principle
- Any evidence of indebtedness executed by board in this subsection is a negotiable instrument and not subject to taxation
- Districts interest rate may not be less than 1% regardless of any rate discount for which a district may qualify
- Changed language back to the “state treasurer” from “county auditor” for providing indeptedness that loan originated on this section of law and for withholding the dollar amount if loan made from oil ad gas production tax.
- Defines “construction loans”.

SECTION 21 40-55-Election to Determine Desirability of Establishing Recreation System – How Called

Agree for Now

SECTION 22
Agree for Now

- Allows for school district to provide for the establishment of a public recreation system using levies as permitted in section 12-1514.2 instead of subsection q of subsection 1
- 40-55-09 -07 Favorable vote election – Procedure**

- Drops language allowing school districts to levy an annual tax for the maintenance of public recreation system as provided in subdivision q of subsection 1 of 57-15-14.2 (establishing/maintaining public recreation system levy)

SECTION 23
Agree for Now

57-15-01.1 Protection of taxpayers and taxing districts

- Changes subsection 3)d and 3)e for determining dollar amount levied in base year:
 - 3)d. adds that it can't exceed funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be increased for base year
 - 3)e. adds that it can't be reduced funds received in new state funding formula "state aid under 15.1-27 if levy amount is to be decreased

SECTION 24

57-15-14 Voter approval of excess levies in school districts

- Adds Section 1 to 57-15-14.2 – Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
- New Subsection (e) section 24 for the taxable years beginning 2012:
 - 1) Requires districts whose electors voted to a specific number of mills for taxable years that **includes** 2009 to reduce their levies by 135 mills as a pre-condition to receiving state aid.
 - 2) Requires districts that were approved by electors a levy of a specific number of mills for any time period that **does not** include taxable year 2009 to reduce their levies by 60 mills as a pre-condition to receiving state aid.
 - 3) After June 30, 2013 requires districts who wish to increase their levies by a vote of the electors to have the levy stated as "a specific number of mills of general fund authority and **must** include a statement that the statutory school district GF levy limitation is 60 mills on the taxable valuation.

SECTION 25

Amends 57-15-14.2 Mill levies requiring board action to: School district levies

- Page 31, line 28, after the underscored period insert "For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates." (Syncs local contribution to 12% maximum cap) (passed 5-0-1) 3/26/13
- Eliminates all levies requiring board action and replaces it with the following:
- Sets maximum levy at 60 mills for "any purpose related to provision of educational purposes".
- Sets a maximum levy of 12 mills by a school board for "non-educational purposes including transportation, extra-curricular activities and must deposited in a special "miscellaneous fund" and may not be transferred to any other fund
- House amendment – replaces "valuation of the district for miscellaneous purposes and expenses" with language which a) only allows schools with an EFB equal to 10% but less than 25% to increase this levy by 3 additional mills each year and not to exceed 12 mills and b) allows schools with an EFB less than 10% to increase this levy by 6 additional mills each year and not to exceed 12 mills (4-22-13)
- A board may levy no more than 3 mills for deposit into a special reserve fund.
- Board may levy "no more than the number of mills necessary" for HS tuition and the funds must be deposited in a special "tuition fund".
- Boards are not limited from levying for
 - building fund NDCC 15.1-09-49 and 547-15-16;
 - paying on principal and interest on bonded indebtedness.
- Replaces "fifteen" with "thirty-five" (Page 28, line 26), replaces "forty" with "sixty" (Page 28, line 30), replaces "eighty" with "sixty" (Page 29, line 6), and replaces "eighty" with "sixty" (Page 31, line 24) (passed 5-0-1) 3/26/13
- Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before ~~January 1, June 30, 2013~~" (Allows for HVAC bonding to still be paid off) (passed 5-0-1) 3/26/13 **Amendment 4036 – changed date fro January 1, 2013 to June 30, 2013 – Passed 6-0 (4-20-13) – impacts about six**

school districts that are currently seeking to refinance or pass HVAC bonds – IRS rules – can't start work on projects until after bonding has been approved (4-20-13)

➤ *Total mills a district would have at its disposal without a vote of electorate would be:*

60mills general fund

12 mills miscellaneous fund for non-educational purposes

72mills

+ XX HS tuition mills

SECTION 26 57-15-14.5 Long-distance learning and educational technology levy

Agree for Now

- Removes long distance learning and technology levy as of July 1, 2013 and requires the transfer of any balance of these funds remaining a school district's general fund.

SECTION 27 57-15-17 Disposition of building fund tax

Agree for Now

- Allows fund to be used for:
 - Construction of school district buildings and facilities."
 - Renovation, repair, or expansion of school district buildings and
 - Improvements to school districts buildings, facilities, and real property;
 - Leasing of buildings and facilities.

SECTION 28 57-15-17.1 Discontinuation of special funds Required

Agree for Now

- Eliminates all special funds and transfers the money from these funds to the school district's GF by July 1, 2013. Includes: hazardous materials fund; ADA remodeling fund; alternative education fire marshal compliance fund; and HVAC fund

SECTION 29 57-15-31 Determination of Levy

Agree for Now

- Eliminates MLRG reporting requirement by DPI superintendent

SECTION 30 57-19-01 Schools District may establish special reserve fund

- Requires that the balance of money in the fund may not exceed that which could be produced by the maximum ~~mill~~ levy number of mills allowed by law for that year.
- House may have amendments (4-19-13)

SECTION 31 57-19-02 Special reserve fund - separate trust fund

- Removes requirement that school board establishes a separate special reserve fund, and requires that the board transfer all income and interest into the earned by the principal in to the general fund. On July 1, 2013 the board must transfer the special reserve fund to its GF any amount that exceeds the limitations in this section.
- House may have amendments (4-19-13)

SECTION 32 57-19-02 When fund may be transferred

Agree for Now

- Removes requirement that a special reserve fund can be removed by a 60% vote and removes the building fund (can only go to GF) as a place that to which funds may be transferred.
- Also removes the section for discontinuance of special reserve fund to decrease tax levies by no more than 20%

SECTION 33 County Treasure to Mail Estate Tax Statement

- Requires tax statement to state in dollars the amount by which a tax payer's liability has been reduced as a result of mill levy reduction grants provided by state legislature House amendment to subsection 4 a) & b) which would make it clearer as to how much property tax relief property owners were getting based on mill comparisons from 2009 to current mills. Discussion on need to include dollars. Will take up on 4-22-13 (4-20-13)

SECTION 34 Legislative Management Study – Funding of Education – Accountability – Committee Establishment

- Requires legislative management appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate for K-12 education
- The committee shall:
 - Define what constitutes "education" for in meeting the state's constitutional requirements
 - Examine the:

- Distribution of financial/managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, other nonmandatory offerings/services, and school construction
- Organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency
- Benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars
- Define what constitutes "adequacy" for purposes of funding education.
- Examine:
 - Concepts of accountability in elementary and secondary education;
 - Performance of ND students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement;
 - High school curricular requirements, content standards, and teacher training and qualifications
 - Insert "including the effectiveness of principal, teacher and superintendent evaluation systems, (Poolman amendment passed 5-1) to determine whether ND are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
Nathe expressed concerns that may add too much to study by LM directive in 1319 suggests a separate study - no action taken (4-22-13)
- Report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 35 Appropriation

- Provides \$100,000 for contracting of consultants and other personal to conduct Legislative Management Study

SECTION 36 Appropriation

- Provides \$250,000 for grants to CTE for implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. Grants given for 2014-15 school year and determined by multiplying the state aid rate (\$9092) times the number of participants not to exceed 30 students

SECTION 37 Suspension

- Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-5-20, 57-15-14.4, and 57-19-04 if NDCC as of June 30, 2015 (Sunset)

SECTION 38 Suspension

- Chapter 57-64 of NDCC for first two taxable years beginning after December 31, 2012

SECTION 39 Repeals

- Sections 15.1-27-07.1, and chapter 57-19-10 of NDCC

SECTION 40 Expiration Date

- Sections 1- through 12, 15,16,20, and 31 are effective through June 30, 2015 and ineffective after that date.

SECTION 412 Effective Date –Expiration Date

- Sections 1, 5, 8,19,and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012 and are there after ineffective.

Representative Schatz's amendment to reinstate the Veterans Preference Language from SB2201 into HB1319 will be discussed on Monday (4-19-13) Failed – Senate 1-2 House 3-0 (4-22-13)

Representative Heller Amendment to allow teachers holding special education license/endorsement to be performance strategist no action taken (4-22-13)

Representative Johnson Amendment to provide payment for loss of student count in base line due to reorganization/disillusionment - no action taken (4-22-13)

#1A

SB 2150 Setion 37 ... 2011 Session
 Isolated School Adjustment
 School Year 2011-12

Transition percentage				100%	100%	75%	50%	25%	2016-17
Districts formerly eligible		ADM	Sq Miles	2011-12	2012-13	2013-14	2014-15	2015-16	
06-001	Bowman County 1	408.19	1,047.75	23,874.83	23,874.83	17,906.12	11,937.42	5,968.71	
08-028	Wing 28 ✓	100.08	407.75	29,121.85	29,121.85	21,841.39	14,560.93	7,280.46	
13-037	Twin Buttes 37 ✓	41.27	102.00	37,601.05	37,601.05	28,200.79	18,800.53	9,400.26	
22-014	Robinson 14 ✓	7.00	251.00	15,734.93	15,734.93	11,801.20	7,867.47	3,933.73	
26-004	Zeeland 4	51.00	155.80	21,783.59	21,783.59	16,337.69	10,891.80	5,445.90	
35-001	Wolford 1	42.70	195.50	66,359.24	66,359.24	49,769.43	33,179.62	16,589.81	
38-001	Mohall-Lansford-Sherwood 1	329.19	814.00	36,448.09	36,448.09	27,336.07	18,224.05	9,112.02	
47-019	Kensal 19	41.92	169.50	28,282.78	28,282.78	21,212.09	14,141.39	7,070.70	
Total		1,021.35	3,143.30	259,206.36	259,206.36	194,404.78	129,603.21	64,801.59	
		Exec Budget				194,404.78	129,603.21	64,801.59	-
						2013-15 Biennium	324,007.99		
		SB 2214				259,206.36	194,404.78	129,603.21	64,801.59
						2013-15 Biennium	453,611.14		

To be eligible for the isolated school district factor, the district must have fewer than 100 student ADM and a district area greater than 275 square miles. Districts that were formally eligible that are no longer eligible for the isolated school district factor receive transition grants.

SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
 - a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
 - c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
 - d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

Section HB 1319		Exec Rec	Introduced 13.0278.02000	House Education 13.0278.03000	House Approp 13.0278.04000	Senate Education 13.0278.05000
	HB 1013 General Fund	932,900,162	932,900,162	932,900,162	1,544,224,000	1,544,224,000
	HB 1319 General Fund				100,000	100,000
	HB 1319 General Fund					250,000
4	HB 1013 Tuition Fund	140,326,000	140,326,000	140,326,000	140,326,000	140,326,000
17	HB 1319 Property Tax Sustainability	714,173,838	714,173,838	714,173,838		
	Total Appropriations	1,787,400,000	1,787,400,000	1,787,400,000	1,684,650,000	1,684,900,000
	<i>Executive Budget Rec</i>	1,787,400,000	1,787,400,000	1,787,400,000	1,787,400,000	1,787,400,000
9	Isolated eligibility			1,300,000	1,300,000	-
9	Sped factor		5,500,000	5,500,000	5,500,000	5,500,000
9	REA factor			(3,700,000)	(3,700,000)	(3,700,000)
9	Home Ed supervised factor					(515,000)
10	District size factor			7,750,000	7,750,000	7,315,000
11	\$2 million in-lieu exclusion		9,000,000			
11	Other In-lieu revenue		(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)
11	Percentage of In-lieu revenue included					(2,700,000)
11	Baseline funding			4,800,000	4,800,000	4,800,000
11	Local Contribution Rate	-		-	(119,600,000)	-
12	Minimum Local Effort					10,600,000
	Budget corrections			4,000,000	4,000,000	4,000,000
	Total Expenditures	1,787,400,000	1,799,000,000	1,804,150,000	1,684,550,000	1,809,800,000
34	34 Study Appropriation				100,000	100,000
36	CTE Certificate Program					250,000
	Total Expenditures	1,787,400,000	1,799,000,000	1,804,150,000	1,684,650,000	1,810,150,000
	Over/Under	-	11,600,000	16,750,000	-	125,250,000
	Expenditures for School Districts	1,073,226,162	1,073,226,162	1,073,226,162	1,089,976,162	1,095,976,162

HB 1319 Isolated School Eligibility
Projection for 2013-14

CoDist	SchoolYear	Dname	Dtype	SqMiles	Total Average Daily Membership (ADM)	Isolated 275/100
44-032	2014	Central Elementary 32	2	431.00	3.00	0.30
27-032	2014	Horse Creek 32	3	223.00	3.00	-
15-010	2014	Bakker 10	2	83.63	4.00	-
08-025	2014	Naughton 25	3	32.00	4.00	-
22-014	2014	Robinson 14	2	251.00	5.00	-
52-035	2014	Pleasant Valley 35	2	135.25	6.00	-
27-018	2014	Earl 18	3	270.00	10.00	-
44-012	2014	Marmarth 12	2	348.00	13.00	1.30
30-017	2014	Sweet Briar 17	3	38.50	13.00	-
30-004	2014	Little Heart 4	2	85.06	15.00	-
08-045	2014	Manning 45	3	27.50	16.00	-
08-033	2014	Menoken 33	2	143.75	26.00	-
37-006	2014	Ft Ransom 6	2	66.50	26.00	-
50-128	2014	Adams 128	2	172.04	27.00	-
42-016	2014	Goodrich 16	1	264.13	28.00	-
17-006	2014	Lone Tree 6	2	243.00	29.42	-
47-019	2014	Kensal 19	1	169.50	33.00	-
08-035	2014	Sterling 35	2	181.50	33.00	-
35-001	2014	Wolford 1	1	195.50	40.00	-
13-037	2014	Twin Buttes 37	2	102.00	40.84	-
13-019	2014	Halliday 19	1	315.00	44.00	4.40
50-005	2014	Fordville-Lankin 5	1	207.06	47.00	-
26-004	2014	Zeeland 4	1	155.80	51.00	-
03-016	2014	Oberon 16	2	93.05	52.00	-
36-002	2014	Edmore 2	1	395.25	54.00	5.40
08-039	2014	Apple Creek 39	2	24.00	59.00	-
05-054	2014	Newburg-United 54	1	382.98	62.00	6.20
07-014	2014	Bowbells 14	1	342.00	62.00	6.20
36-044	2014	Starkweather 44	1	278.00	66.92	6.69
04-001	2014	Billings Co 1	2	1,152.00	68.22	6.82
18-127	2014	Emerado 127	2	103.75	76.06	-
42-019	2014	McClusky 19	1	429.00	78.00	7.80
43-008	2014	Selfridge 8	1	294.50	78.00	7.80
34-043	2014	St Thomas 43	1	115.00	85.00	-
25-057	2014	Drake 57	1	434.77	86.00	8.60
24-056	2014	Gackle-Streeter 56	1	605.37	87.00	8.70
09-080	2014	Page 80	2	212.75	88.00	-
09-007	2014	Mapleton 7	2	69.75	88.38	-
10-019	2014	Munich 19	1	492.97	89.00	8.90
15-006	2014	Hazelton-Moffit-Braddock 6	1	539.26	89.00	8.90

CoDist	SchoolYear	Dname	Dtype	SqMiles	Total Average	
					Daily Membership (ADM)	Isolated 275/100
46-010	2014	Hope 10	1	252.62	93.00	-
25-014	2014	Anamoose 14	2	205.31	95.76	-
27-014	2014	Yellowstone 14	2	147.00	101.00	-
19-018	2014	Roosevelt 18	2	471.11	103.00	-
08-028	2014	Wing 28	1	407.75	109.00	-
47-014	2014	Montpelier 14	1	216.50	109.00	-
02-046	2014	Litchville-Marion 46	1	511.55	110.00	-
39-018	2014	Fairmount 18	1	92.00	112.00	-
23-007	2014	Kulm 7	1	496.50	116.00	-
07-036	2014	Burke Central 36	1	398.50	118.00	-
28-085	2014	White Shield 85	1	190.69	121.49	-
27-002	2014	Alexander 2	1	323.00	122.00	-
18-125	2014	Manvel 125	2	135.73	127.00	-
46-019	2014	Finley-Sharon 19	1	293.13	128.00	-
26-009	2014	Ashley 9	1	476.50	129.00	-
51-016	2014	Sawyer 16	1	200.65	131.00	-
06-033	2014	Scranton 33	1	488.81	132.00	-
05-017	2014	Westhope 17	1	345.81	133.00	-
19-049	2014	Elgin-New Leipzig 49	1	692.00	134.00	-
20-007	2014	Midkota 7	1	593.64	136.00	-
07-027	2014	Powers Lake 27	1	350.00	139.00	-
53-099	2014	Grenora 99	1	820.50	139.00	-
52-025	2014	Fessenden-Bowdon 25	1	561.69	141.13	-
34-019	2014	Drayton 19	1	191.50	142.00	-
03-006	2014	Leeds 6	1	384.75	143.28	-
03-030	2014	Ft Totten 30	1	34.00	144.03	-
47-010	2014	Pingree-Buchanan 10	1	335.00	146.00	-
15-015	2014	Strasburg 15	1	354.90	148.77	-
30-048	2014	Glen Ullin 48	1	425.75	151.00	-
47-003	2014	Medina 3	1	406.27	157.00	-
03-009	2014	Maddock 9	1	396.67	157.67	-
40-029	2014	Rolette 29	1	280.77	164.00	-
43-003	2014	Solen 3	1	314.75	165.32	-
49-007	2014	Hatton 7	1	153.00	171.00	-
39-028	2014	Lidgerwood 28	1	189.90	176.00	-
28-072	2014	Turtle Lake-Mercer 72	1	522.25	177.00	-
21-009	2014	New England 9	1	638.13	185.00	-
53-006	2014	Eight Mile 6	1	85.00	191.00	-
30-013	2014	Hebron 13	1	394.00	192.00	-
32-066	2014	Lakota 66	1	401.19	195.00	-
26-019	2014	Wishek 19	1	472.85	198.00	-
30-039	2014	Flasher 39	1	631.92	198.00	-
51-070	2014	South Prairie 70	2	164.25	199.00	-
33-001	2014	Center-Stanton 1	1	539.00	200.00	-

CoDist	SchoolYear	Dname	Dtype	SqMiles	Total Average Daily Membership (ADM)	Isolated 275/100
18-128	2014	Midway 128	1	297.00	205.00	-
28-001	2014	Wilton 1	1	322.37	206.00	-
41-006	2014	Sargent Central 6	1	476.39	211.00	-
27-036	2014	Mandaree 36	1	395.00	212.00	-
28-050	2014	Max 50	1	337.80	212.00	-
39-042	2014	Wyndmere 42	1	310.51	212.00	-
28-008	2014	Underwood 8	1	199.39	212.48	-
34-118	2014	Valley-Edinburg 118	1	294.07	218.00	-
41-002	2014	Milnor 2	1	193.12	218.00	-
23-003	2014	Edgeley 3	1	414.00	218.77	-
41-003	2014	North Sargent 3	1	117.00	220.00	-
45-013	2014	Belfield 13	1	144.00	227.31	-
50-020	2014	Minto 20	1	157.86	230.84	-
49-003	2014	Central Valley 3	1	243.00	231.00	-
40-004	2014	Mt Pleasant 4	1	466.98	232.00	-
20-018	2014	Griggs County Central 18	1	422.89	234.00	-
09-004	2014	Maple Valley 4	1	503.80	235.00	-
21-001	2014	Mott-Regent 1	1	880.00	239.00	-
45-009	2014	South Heart 9	1	303.50	246.00	-
18-129	2014	Northwood 129	1	256.68	248.15	-
32-001	2014	Dakota Prairie 1	1	907.30	248.28	-
51-004	2014	Nedrose 4	2	32.18	254.00	-
03-005	2014	Minnewaukan 5	1	230.00	261.22	-
39-044	2014	Richland 44	1	222.07	264.00	-
48-010	2014	North Star 10	1	648.39	264.66	-
53-008	2014	New 8	2	1,160.85	265.48	-
31-003	2014	Parshall 3	1	358.00	266.00	-
24-002	2014	Napoleon 2	1	552.09	268.00	-
03-029	2014	Warwick 29	1	230.69	269.33	-
38-026	2014	Glenburn 26	1	347.85	270.00	-
02-007	2014	Barnes County North 7	1	717.41	275.00	-
53-002	2014	Nesson 2	1	479.00	275.00	-
45-034	2014	Richardton-Taylor 34	1	522.92	275.77	-
39-008	2014	Hankinson 8	1	240.42	281.72	-
01-013	2014	Hettinger 13	1	860.94	282.89	-
28-004	2014	Washburn 4	1	244.20	283.92	-
17-003	2014	Beach 3	1	765.00	284.86	-
51-028	2014	Kenmare 28	1	600.00	295.00	-
43-004	2014	Ft Yates 4	1	338.00	297.27	-
15-036	2014	Linton 36	1	413.51	304.72	-
37-024	2014	Enderlin Area 24	1	416.38	306.41	-
23-008	2014	LaMoure 8	1	426.00	319.35	-
11-040	2014	Ellendale 40	1	504.49	322.83	-
30-049	2014	New Salem - Almont 49	1	461.40	333.00	-

CoDist	SchoolYear	Dname	Dtype	SqMiles	Total Average Daily Membership (ADM)	Isolated 275/100
38-001	2014	Mohall-Lansford-Sherwood 1	1	814.00	339.61	-
14-002	2014	New Rockford-Sheyenne 2	1	352.79	340.00	-
25-060	2014	TGU 60	1	1,043.22	341.12	-
10-023	2014	Langdon Area 23	1	919.75	346.42	-
12-001	2014	Divide County 1	1	1,025.75	350.00	-
22-001	2014	Kidder County 1	1	1,070.12	365.00	-
28-051	2014	Garrison 51	1	393.35	375.46	-
40-003	2014	St John 3	1	109.00	381.93	-
51-041	2014	Surrey 41	1	128.50	389.38	-
25-001	2014	Velva 1	1	562.00	393.14	-
13-016	2014	Killdeer 16	1	856.00	393.22	-
53-015	2014	Tioga 15	1	450.75	396.00	-
51-161	2014	Lewis and Clark 161	1	876.83	397.00	-
52-038	2014	Harvey 38	1	571.46	407.19	-
50-078	2014	Park River 78	1	226.94	411.37	-
18-044	2014	Larimore 44	1	329.50	412.44	-
34-006	2014	Cavalier 6	1	338.93	415.77	-
18-061	2014	Thompson 61	1	117.38	430.00	-
49-009	2014	Hillsboro 9	1	278.00	431.00	-
34-100	2014	North Border 100	1	551.68	442.14	-
06-001	2014	Bowman County 1	1	1,047.75	469.12	-
49-014	2014	May-Port CG 14	1	444.01	501.67	-
11-041	2014	Oakes 41	1	497.50	504.00	-
35-005	2014	Rugby 5	1	804.92	543.00	-
16-049	2014	Carrington 49	1	777.76	544.99	-
09-097	2014	Northern Cass 97	1	420.50	563.56	-
51-007	2014	United 7	1	345.70	583.39	-
29-003	2014	Hazen 3	1	302.86	590.84	-
31-002	2014	Stanley 2	1	765.67	601.00	-
37-019	2014	Lisbon 19	1	429.00	609.66	-
05-001	2014	Bottineau 1	1	643.50	618.37	-
40-001	2014	Dunseith 1	1	199.00	624.23	-
09-002	2014	Kindred 2	1	398.54	680.40	-
29-027	2014	Beulah 27	1	668.50	701.91	-
31-001	2014	New Town 1	1	317.00	749.30	-
09-017	2014	Central Cass 17	1	401.00	792.14	-
27-001	2014	McKenzie Co 1	1	1,679.00	859.00	-
50-003	2014	Grafton 3	1	201.75	890.71	-
02-002	2014	Valley City 2	1	357.94	1,109.58	-
39-037	2014	Wahpeton 37	1	257.13	1,232.66	-
36-001	2014	Devils Lake 1	1	472.63	1,656.62	-
40-007	2014	Belcourt 7	1	72.13	1,981.24	-
47-001	2014	Jamestown 1	1	472.45	2,130.82	-
53-001	2014	Williston 1	1	14.75	2,851.33	-

CoDist	SchoolYear	Dname	Dtype	SqMiles	Total Average Daily Membership (ADM)	Isolated 275/100
45-001	2014	Dickinson 1	1	498.13	2,877.68	-
30-001	2014	Mandan 1	1	907.78	3,385.74	-
18-001	2014	Grand Forks 1	1	77.41	7,068.03	-
51-001	2014	Minot 1	1	127.84	7,311.24	-
09-006	2014	West Fargo 6	1	126.75	8,067.23	-
09-001	2014	Fargo 1	1	56.96	11,020.16	-
08-001	2014	Bismarck 1	1	226.97	11,432.79	-
Total				69,535.19	100,714.15	88.01

11/27/2013

Second Engrossment HB1319
With Senate Amendments Do Pass 45-0
As of April 23, 2013

SECTION 1. AMENDMENT 15-39.1-28 Tax Levy for Teachers' Retirement
Agree for Now

- Moves all levy authority to 57-15.
- Moves voter approved authority to levy tax to 57-15-14

SECTION 2. AMENDMENT 15.1-09-33 School Board Powers
Agree for Now

- Allows boards to levy taxes as permitted in NDCC 57-15

SECTION 3. AMENDMENT 15.1-09-39 Districts in Boarding States – Contract
Agree for Now

- Allows boards to levy voter approved taxes as permitted in NDCC 57-15

SECTION 4. AMENDMENT 15.1-09-40 Sharing of Levied Taxes – Contract
Agree for Now

- Limits levy for school districts contracting to share levied taxes as permitted in NDCC 57-15

SECTION 5. AMENDMENT 15.1-09-47 Board of education city of Fargo – Taxing Authority
Agree for Now

- Removes all references for Fargo to levy taxes and places their authority within title 15.1 and title 57

SECTION 6. AMENDMENT 15.1-09-48 Board of education city of Fargo – Tax Collection
Agree for Now

- Perfects this section of law to coincide with title 15 and title 57 language

SECTION 7. AMENDMENT 15.1-09-49 Board of education city of Fargo – Taxes for buildings
Agree for Now

- Perfects this section of law to coincide with language currently applicable to all districts

SECTION 8. AMENDMENT 15.1-22-01 Kindergarten – Establishment by Board – Parent Request
Agree for Now

- Drops levy for kindergarten

SECTION 9. AMENDMENT 15.1-27-03.1 Weighted ADM determination after 9-30-2015

- Resets all weighting factors back to current (2011-13) factors due to sunset on HB1319 in June 30, 2015 with exceptions of testing of students for LD (4020) and use of factor for milk (4023)
- Amended isolated school size from 125 students to 100 students for eligibility (passed 5-0-1) 3/27/13
 - Senate - eliminates double payments (isolated schools increased with new small schools weighting factor – this would give them an additional 0.10 (1.35) – about \$900/student more (3-20-13)
 - Hunskor amendment to reinstate school size for isolated schools from 100 to 125. Motion failed Senate 1-3 House 3-0 (4-23-13)
- Changes home based instruction monitoring weighting factor from 0.50 to 0.20
- Requires parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities (passed 4-1-1) 3/26/13
 - Discussed rationale for keeping this amendment in the bill (senate) and reasons for taking it out (house) – no action taken (4-20-13)
- Adds language to at risk factor for districts to provide for the useage of the funds under federal regulations for the school milk snack better now know as the "Milk Amendment" – Fargo Forum 3/28/13 ((passed 5-0-1) 3/27/13
 - Amendment to put language as "may" use the funds so that it is permissive – will be taken of HB1319 so it is not part of the weighting factors and will be put in Food and Nutrition Section of NDCC 15.1-35 (4-20-13)

SECTION 10. AMENDMENT 15.1-27-03.2 School District Size Weighting Factor – Weight Student Units

- Resets all school district weighting factors on a new scale ranging from 1.35 for districts with fewer than 125 students to 1.00 for 900 or more students adds 850 wsu to formula \$7.75 million increase
- Increases special ed weighting factor by .0003 (.0790 to .0820) and adds testing for placement for purposes of identifying. FYs 2013-15) \$5.5 million increase

- Reduces Powerschool factor from .0060 to .0030 because increases in PPP generates a lot more funds. Is this also because roll out is done and bill for Power school will go down FYs 2013-15
- Reduces REA factor from 0.0040 to 0.0020 because increases generates a lot more funds FYs 2013-15
\$3.7 million savings

SECTION 11. New Section to 15.1-27-04.1 Baseline Payment – Establishment – Determination of State Aid

- Current state aid payment (2012-13) plus,
- MLRG dollars (2012 taxable value) plus,
- Dollars generated from the total of a district's general fund levy or 110 mills whichever is less plus,
- Long distance learning and technology levy plus,
- and alternative education program levies
- ~~75% of~~ in lieu of moneys received by the district which include:
 - 75% of all mineral revenue
 - 75% of all tuition from sending district except for revenue received for operation of residential treatment facility and tuition received for adult farming management programs (3-20-13 admendment 6-0)
 - 75% of all revenue from distribution and transmission of electric power
 - 75% of all revenue from electricity generated from sources other than coal
 - All (100%) revenue Mobile homes
 - All (100%) revenue from taxes on telecommunications
 - 75% of revenue from leasing of land acquired by the U.S. for which compensation is received
 - All (100%) revenue from taxes on homestead credit and disabled veteran's credit (passed 5-0-1)
3/27/13

- Divided by Districts wsu

For 2013-14 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$8810
- Adjusts product so district gets at least equal to the greater of:
 - 102% or
 - 100% of districts 2012-13 baseline funding per wsu (Baseline minimum)
- Adjusts product so district does not exceed
 - 110% of districts 2012-13 baseline funding per wsu (Baseline maximum)

For 2014-15 payment NDDPI:

- Multiplies district's wsu for 2013-14 by \$9092
- Adjusts product so district gets at least equal to the greater of:
 - 104% or
 - 100% of baseline per wsu or 12-13 baseline (Baseline minimum) or
- Adjusts product so district does not exceed
 - 120% or (Baseline maximum)

The NDDPI will then subtract from the above product for each year of the 2013-15 biennium:

- Lowered the local contribution from 70 mills to 50 mills (passed 5-0-1) 3/26/13
- Page 16, line 23, after "district" insert ", however, after 2013 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 section by more than twelve percent" (passed 5-0-1) 3/26/13
- An amount equal to 75% of all "in lieu of money described above
- The amount remaining will be a districts state aid.

SECTION 12. Section to 15.1-27-04.2 State Aid Minimum Local Effort Determination
Agree for Now

- Districts with state taxable valuation is > 20% (was 40) state will use an amount equal to 50 mills X state Avg Valuation Per Student X wsu of district 3-20-13 admendment 6-0
Cost approx \$10.7 million – impacts 11 districts (4-19-13)

SECTION 13. 15.1-27-17 Per Student Payments – Reorganization – Separate Wtng Factor
Agree for Now

- Eliminates prior to June 30, 2007 reorganized schools language and assigns separate weighting factor to any district Reorganized after July 1, 2007.

SECTION 14. 15.1-27-35 Average Daily Membership Calculation
Agree for Now

- Removes current ADM calculation language dealing with 2009-10 and 2010-11 ADM and maintains ADM to be calculated at the conclusion of the school year.

SECTION 15. 15.1-27-35 Payments to School Districts – Unobligated General Fund Fund Balance.

- Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars. (passed 5-0-1) 3/27/13

Current EFB about \$290 million – 17 districts over threshold – EFB 2002-03 \$160 million (4-19-13)

SECTION 16. 15.1-27-39 Annual Salary – Minimum Amount

- Increases minimum teacher salary from \$22,500 to \$27,500 beginning 2014-15
- Heckaman amendment to increase to \$32,000 failed on a 2-4 vote 3/25/13

SECTION 17 New Section 15.1-27-45 Property Tax Relief Fund

Agree for Now

- Sets up method of payment from property tax relief fund to cover monthly distribution of the fund as part of the foundation aid payment to districts.

SECTION 18 15.1-29-15 Levy for Tuition payments

Agree for Now

- Eliminates subdivision c of subsection 1 of 57-15-14.2 (levy for tuition for students grades 7-12) language and only refers to Section 57-15-14.2 of NDCC

SECTION 19 15.1-30-04 Provision of Meals/Lodging for HS Students – Levy

Agree for Now

- Eliminates subdivision of subsection 1 of 57-15-14.2 (levy for meals and lodging for students grades 7-12) but still allows districts to pay a “reasonable allowance” for these costs.

SECTION 20 15.1-36-02 School Construction Loans

- Puts \$50 million from the coal development trust and \$200 million from strategic investments and improvements fund into the school construction loans fund
 - **House amendment to reduce to \$100 from strategic investment fund – allows \$100 for construction loans to hospitals in western ND in SB2187 – no action taken (4-22-13)**
- Districts with imputed taxable value less than 80% of state average eligible for:
 - \$20million (was \$12million) amount of money available for construction loans at 450 basis points (was 250) below current tax free bond rates
- Districts with imputed taxable value = 80% but > than 90% of state average eligible for \$15 million (was \$10million) or 80% (was 70%) of actual cost for construction loans at 300 basis points (was 200) below current tax free bond rates
- Districts getting loans from oil and gas production tax previous fiscal year:
 - District must provide State Board of University and School Lands that the loan originated under section 57-51.
 - If warrant paid off only by districts allocation from oil/gas tax it does not constitute a general obligation and is not considered debt
 - If loan paid only by districts allocation of oil/gas tax load terms require state treasure to with hold 10% of tax allocation to repay principle
- Any evidence of indebtedness executed by board in this subsection is a negotiable instrument and not subject to taxation
- Districts interest rate may not be less than 1% regardless of any rate discount for which a district may qualify
- Changed language back to the “state treasurer” from “county auditor” for providing indeptedness that loan originated on this section of law and for withholding the dollar amount if loan made from oil ad gas production tax.

- Defines “construction loans”.

SECTION 21
Agree for Now

40-55-Election to Determine Desirability of Establishing Recreation System – How Called

- Allows for school district to provide for the establishment of a public recreation system using levies as permitted in section 12-1514.2 instead of subsection q of subsection 1

SECTION 22
Agree for Now

40-55-09 -07 Favorable vote election – Procedure

- Drops language allowing school districts to levy an annual tax for the maintenance of public recreation system as provided in subdivision q of subsection 1 of 57-15-14.2 (establishing/maintaining public recreation system levy)

SECTION 23
Agree for Now

57-15-01.1 Protection of taxpayers and taxing districts

- Changes subsection 3)d and 3)e for determining dollar amount levied in base year:
 - 3)d. adds that it can't exceed funds received in new state funding formula “state aid under 15.1-27 if levy amount is to be increased for base year
 - 3)e. adds that it can't be reduced funds received in new state funding formula “state aid under 15.1-27 if levy amount is to be decreased

SECTION 24

57-15-14 Voter approval of excess levies in school districts

- Adds Section 1 to 57-15-14.2 – Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
- New Subsection (e) section 24 for the taxable years beginning 2012:
 - 1) Requires districts whose electors voted to a specific number of mills for taxable years that **includes** 2009 to reduce their levies by 135 mills as a pre-condition to receiving state aid.
 - 2) Requires districts that were approved by electors a levy of a specific number of mills for any time period that **does not** include taxable year 2009 to reduce their levies by 60 mills as a pre-condition to receiving state aid.
 - 3) After June 30, 2013 requires districts who wish to increase their levies by a vote of the electors to have the levy stated as “a specific number of mills of general fund authority and **must** include a statement that the statutory school district GF levy limitation is 60 mills on the taxable valuation.

SECTION 25

Amends 57-15-14.2 Mill levies requiring board action to: School district levies

- Page 31, line 28, after the underscored period insert “For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by an amount determined by adding the 2012 general fund, high school tuition, and high school transportation mill rates.” (Syncs local contribution to 12% maximum cap) (passed 5-0-1) 3/26/13
- Eliminates all levies requiring board action and replaces it with the following:
- Sets maximum levy at 60 mills for “any purpose related to provision of educational purposes”.
- Sets a maximum levy of 12 mills by a school board for “non-educational purposes including transportation, extra-curricular activities and must deposited in a special “miscellaneous fund” and may not be transferred to any other fund
 - House amendment – replaces “valuation of the district for miscellaneous purposes and expenses” with language which a) only allows schools with an EFB equal to 10% but less than 25% to increase this levy by 3 additional mills each year and not to exceed 12 mills and b) allows schools with an EFB less than 10% to increase this levy by 6 additional mills each year and not to exceed 12 mills (4-22-13)
- A board may levy no more than 3 mills for deposit into a special reserve fund.
- Board may levy “no more than the number of mills necessary” for HS tuition and the funds must be deposited in a special “tuition fund”.
- Boards are not limited from levying for
 - building fund NDCC 15.1-09-49 and 547-15-16;
 - paying on principal and interest on bonded indebtedness.
- Replaces “fifteen” with “thirty-five” (Page 28, line 26), replaces “forty” with “sixty” (Page 28, line 30), replaces “eighty” with “sixty” (Page 29, line 6), and replaces “eighty” with “sixty” (Page 31, line 24) (passed 5-0-1) 3/26/13

- Page 32, line 13, after "district" insert ", including mills necessary to pay principal and interest on the bonded debt of the district incurred under section 57-15-17.1 before January 1, June 30, 2013" (Allows for HVAC bonding to still be paid off) (passed 5-0-1) 3/26/13

- **Amendment 4036 – changed date fro January 1, 2013 to June 30, 2013 – Passed 6-0 (4-20-13) – impacts about six school districts that are currently seeking to refinance or pass HVAC bonds – IRS rules – can't start work on projects until after bonding has been approved (4-20-13)**

- *Total mills a district would have at its disposal without a vote of electorate would be:*

60mills general fund

12 mills miscellaneous fund for non-educational purposes

72mills

+ XX HS tuition mills

SECTION 26 57-15-14.5 Long-distance learning and educational technology levy

Agree for Now

- Removes long distance learning and technology levy as of July 1, 2013 and requires the transfer of any balance of these funds remaining a school district's general fund.

SECTION 27 57-15-17 Disposition of building fund tax

Agree for Now

- Allows fund to be used for:
 - Construction of school district buildings and facilities."
 - Renovation, repair, or expansion of school district buildings and
 - Improvements to school districts buildings, facilities, and real property;
 - Leasing of buildings and facilities.

SECTION 28 57-15-17.1 Discontinuation of special funds Required

Agree for Now

- Eliminates all special funds and transfers the money from these funds to the school district's GF by July 1, 2013. Includes: hazardous materials fund; ADA remodeling fund; alternative education fire marshal compliance fund; and HAVC fund

SECTION 29 57-15-31 Determination of Levy

Agree for Now

- Eliminates MLRG reporting requirement by DPI superintendent

SECTION 30 57-19-01 Schools District may establish special reserve fund

- Requires that the balance of money in the fund may not exceed that which could be produced by the maximum ~~mill~~ levy number of mills allowed by law for that year.
- **House may have amendments (4-19-13)**

SECTION 31 57-19-02 Special reserve fund - separate trust fund

- Removes requirement that school board establishes a separate special reserve fund, and requires that the board transfer all income and interest into the earned by the principal in to the general fund. On July 1, 2013 the board must transfer the special reserve fund to its GF any amount that exceeds the limitations in this section.
- **House may have amendments (4-19-13)**

SECTION 32 57-19-02 When fund may be transferred

Agree for Now

- Removes requirement that a special reserve fund can be removed by a 60% vote and removes the building fund (can only go to GF) as a place that to which funds may be transferred.
- Also removes the section for discontinuance of special reserve fund to decrease tax levies by no more than 20%

SECTION 33 County Treasure to Mail Estate Tax Statement

- Requires tax statement to state in dollars the amount by which a tax payer's liability has been reduced as a result of mill levy reduction grants provided by state legislature
 - **House amendment to subsection 4 a) & b) which would make it clearer as to how much property tax relief property owners were getting based on mill comparisons from 2009 to current mills. Discussion on need to include dollars. Will take up on 4-22-13 (4-20-13).**
 - **Amendment -4041-to above amendment to include dollar amount as well as mill levy amount on property tax statement (4-23-13). Senator Schaible will work on amendment to make it more clear.**

SECTION 34 Legislative Management Study – Funding of Education – Accountability – Committee Establishment

- Requires legislative management appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate for K-12 education
- The committee shall:
 - Define what constitutes "education" for in meeting the state's constitutional requirements
 - Examine the:
 - Distribution of financial/managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, other nonmandatory offerings/services, and school construction
 - Organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency
 - Benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars
 - Define what constitutes "adequacy" for purposes of funding education.
 - Examine:
 - Concepts of accountability in elementary and secondary education;
 - Performance of ND students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement;
 - High school curricular requirements, content standards, and teacher training and qualifications
 - Insert "including the effectiveness of principal, teacher and superintendent evaluation systems. (Poolman amendment passed 5-1) to determine whether ND are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
 - **Representative Nathe expressed concerns that may add too much to study by LM directive in 1319 suggests a separate study - no action taken (4-22-13)**
 - Report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 35 **Appropriation**

- Provides \$100,000 for contracting of consultants and other personal to conduct Legislative Management Study

SECTION 36 Appropriation

- Provides \$250,000 for grants to CTE for implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. Grants given for 2014-15 school year and determined by multiplying the state aid rate (\$9092) times the number of participants not to exceed 30 students.
 - **Senator Flakoll explained that this would be a pilot project and would be the only one in the US. Age level of grant recipient is not specified. (4-23-13).**

SECTION 37 **Suspension**

- Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-5-20, 57-15-14.4, and 57-19-04 if NDCC as of June 30, 2015 (Sunset)

SECTION 38 **Suspension**

- Chapter 57-64 of NDCC for first two taxable years beginning after December 31, 2012

SECTION 39 **Repeals**

- Sections 15.1-27-07.1, and chapter 57-19-10 of NDCC

SECTION 40 **Expiration Date**

- Sections 1- through 12, 15.16.20, and 31 are effective through June 30, 2015 and ineffective after that date.

SECTION 412 **Effective Date –Expiration Date**

- Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012 and are thereafter ineffective.

Representative Schatz's amendment to reinstate the Veterans Preference Language from SB2201 into HB1319 will be discussed on Monday (4-19-13) Failed – Senate 1-2 House 3-0 (4-22-13)

Representative Heller Amendment to allow teachers holding special education license/endorsement to be performance strategist no action taken (4-22-13) Rep. Heller provided a perfecting language an amendment which clarified that a special education teacher would be eligible if the hold a special education endorsement or credential (4-23-13)

Representative Johnson Amendment to provide payment for loss of student count in base line due to reorganization/disillusionment - no action taken (4-22-13)

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 11, remove "and"

Page 1, line 11, after "date" insert "; and to declare an emergency"

Page 39, after line 13, insert:

"SECTION 33. FAILED REORGANIZATION - SUPPLEMENTAL ASSISTANCE PAYMENT.

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and
 - c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enroll in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much of that amount as may be necessary, to provide the supplemental assistance payment required by this section.
5. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly."

Page 40, after line 29, insert:

"SECTION 41. EMERGENCY. Section 33 of this Act is declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1020-1050 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 37, line 15, overstrike "the maximum"

Page 37, line 15, remove "number of mills"

Page 37, line 15, overstrike "allowed by law" and insert immediately thereafter "fifteen mills"

Page 37, line 22, after the first "the" insert "special reserve"

Page 37, line 27, remove "2. Annually, the board of the school district shall"

Page 37, line 27, overstrike "transfer to the"

Page 37, line 27, overstrike "district general"

Page 37, line 28, overstrike "fund"

Page 37, line 28, overstrike "all of the"

Page 37, line 28, overstrike "income"

Page 37, line 28, remove "and"

Page 37, line 28, overstrike "interest earned by the principal"

Page 37, line 29, remove "of the"

Page 37, line 29, overstrike "special reserve fund."

Page 38, line 1, replace "3." with "2."

Page 38, line 1, replace "On July 1, 2013" with "Each July first"

Page 38, line 15, overstrike "Any moneys remaining unexpended in"

Page 38, line 15, remove "the"

Page 38, line 15, overstrike "special reserve fund must be transferred to the"

Page 38, line 16, overstrike "general fund of the school district."

Page 38, line 20, overstrike the period

Renumber accordingly

1 5. The amount of distributions received from an economic growth increment pool under
2 section 57-15-61.

3 6. The estimated amount to be received from payments in lieu of taxes on a project
4 under section 40-57.1-03.

5 7. ~~The amount reported to a school district by the superintendent of public instruction as~~
6 ~~the school district's mill levy reduction grant for the year under section 57-64-02.~~

7 Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five
8 percent of the amount of the levy.

9 **SECTION 29. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-19-01. School district may establish special reserve fund.**

12 Each school district in this state may establish and maintain a special reserve fund which
13 ~~must be separate and distinct from all other funds now authorized by law and which may not~~
14 ~~exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed
15 that which could be produced by a levy of ~~the maximum mill levy~~ number of mills allowed by
16 law ~~fifteen mills~~ in that district for that year.

17 **SECTION 30. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **57-19-02. Special reserve fund - Separate trust fund.**

20 ~~The special reserve fund is a separate trust fund for the use and benefit of the school~~
21 ~~district, to be drawn upon as provided in this chapter.~~

22 1. Moneys in the special reserve fund may be deposited, held, or invested in the same
23 manner as the sinking fund of the district or in the purchase of shares or securities of
24 federal savings and loan associations or state-chartered building and loan
25 associations, within the limits of federal insurance. ~~The school district business~~
26 ~~manager shall annually, upon a resolution of the school board,~~

27 ~~2. Annually, the board of the school district shall transfer to the school district general~~
28 ~~fund any part or all of the investment income or and interest earned by the principal~~
29 ~~amount of the school district's~~ of the special reserve fund.

1 3.2. On July 1, 2013~~Each July first~~, the board of the school district shall transfer from the
2 special reserve fund to the district's general fund any amount that exceeds the
3 limitation in section 57-19-01.

4 **SECTION 31. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-19-09. When fund may be transferred.**

7 Any school district which has heretofore by mistake, or for any other reason, considered all
8 or any part of a special reserve fund, as provided for in chapter 57-19, in determining the
9 budget for the school district which has deducted all or any part of the funds in such special
10 reserve fund from the amount necessary to be levied for any school fiscal year, may transfer
11 from the special reserve fund into the general fund all or any part of such amounts which have
12 been so considered contrary to the provisions of section 57-19-05. ~~Any school district special~~
13 ~~reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the~~
14 ~~electors of the school district voting upon the question at any special or general election.~~~~Any~~
15 ~~moneys remaining unexpended in~~
16 ~~such the special reserve fund must be transferred to the building or general fund of the school~~
17 ~~district.~~ The discontinuance of a special reserve fund shall not decrease the school district tax
18 levies otherwise provided for by law by more than twenty percent. A special reserve fund and
19 the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent
20 of the electors of the school district voting upon the question at any special or general election.

21 **SECTION 32. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-20-07.1. County treasurer to mail real estate tax statement.**

- 24 1. On or before December twenty-sixth of each year, the county treasurer shall mail a
25 real estate tax statement to the owner of each parcel of real property at the owner's
26 last-known address. The statement must be provided in a manner that allows the
27 taxpayer to retain a printed record of the obligation for payment of taxes and special
28 assessments as provided in the statement.
- 29 2. If a parcel of real property is owned by more than one individual, the county treasurer
30 shall send only one statement to one of the owners of that property. Additional copies

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 19, line 30, after "1." insert "a."

Page 20, after line 4, insert:

"b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly."

Renumber accordingly

- 1 b. The two days set aside for professional development activities under section
- 2 15.1-06-04; and
- 3 c. The two full days, or portions thereof, during which parent-teacher conferences
- 4 are held or which are deemed by the board of the district to be compensatory
- 5 time for parent-teacher conferences held outside regular school hours.
- 6 3. For purposes of calculating average daily membership:
- 7 a. A student enrolled full time in any grade from one through twelve may not exceed
- 8 an average daily membership of 1.00. The membership may be prorated for a
- 9 student who is enrolled less than full time.
- 10 b. A student enrolled full time in an approved regular education kindergarten
- 11 program may not exceed an average daily membership of 1.00. The membership
- 12 may be prorated for a student who is enrolled less than full time.
- 13 c. A student enrolled full time, as defined by the superintendent of public instruction,
- 14 in an approved early childhood special education program may not exceed an
- 15 average daily membership of 1.00. The membership may be prorated for a
- 16 student who is enrolled less than full time.

17 **SECTION 15. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15.1-27-39. Annual salary - Minimum amount.**

- 20 ~~1. Beginning with the 2005-06 school year, the board of each school district shall provide~~
- 21 ~~to each full-time teacher, under contract for a period of nine months, a minimum salary~~
- 22 ~~level for the contract period equal to at least twenty-two thousand dollars.~~
- 23 2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall
- 24 provide to each full-time teacher, under contract for a period of nine months, a
- 25 minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven
- 26 thousand five hundred dollars.

27 **SECTION 16.** Section 15.1-27-45 of the North Dakota Century Code is created and enacted
28 as follows:

29 **15.1-27-45. Property tax relief fund.**

- 30 1. ~~a.~~ The property tax relief fund is a special fund in the state treasury. On July 1,
- 31 2013, the state treasurer shall change the name of the property tax relief

April 25, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 10, after the first semicolon insert "to provide for a transfer;"

Page 1, line 11, remove "and"

Page 1, line 11, after "date" insert "; and to declare an emergency"

Page 40, after line 17, insert:

"SECTION 35. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.

1. During the 2014-15 school year, the department of career and technical education shall provide a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.
2. The amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
3. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall transfer \$250,000, or so much of that amount as may be necessary, to the department of career and technical education, to provide the autism spectrum disorder grant required by this section."

Page 40, after line 29, insert:

"SECTION 41. EMERGENCY. Section 35 of this Act is declared to be an emergency measure."

Renumber accordingly

2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 26, after line 27, insert:

- "f. For purposes of subdivisions d and e, "state aid under chapter 15.1-27" is determined by multiplying the applicable base year or budget year taxable valuation of the school district by the lesser of:
- (1) The applicable base year or budget year mill rate of the school district minus fifty mills; or
 - (2) Sixty mills."

Page 28, line 26, replace "fifteen" with "twenty-five"

Page 28, line 30, replace "forty" with "fifty"

Page 29, line 6, replace "eighty" with "sixty"

Page 31, line 23, replace "The" with "For taxable years after 2013, the"

Page 31, line 24, replace "eighty" with "sixty"

Page 31, line 29, replace "The" with "For taxable years after 2013, the"

Page 32, after line 13, insert:

- "6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of seventy-two mills. For purposes of this subsection, the allowable twelve percent in dollars is determined by multiplying the 2013 taxable valuation of the district by sixty-two mills."

Renumber accordingly

*replaced by
04060*

governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:

- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
- b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
- c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
- d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the amount of the school district's ~~mill levy reduction grant under section 57-64-02~~ state aid under chapter 15.1-27 for the budget year.
- e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's ~~mill levy reduction grant under section 57-64-02~~ state aid under chapter 15.1-27 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year.
- f. For purposes of subdivisions d and e, "state aid under chapter 15.1-27" is determined by multiplying the applicable base year or budget year taxable valuation of the school district by the lesser of:

- 1 (1) ~~The applicable base year or budget year mill rate of the school district~~
2 ~~minus fifty mills or~~
3 (2) ~~Sixty mills~~

- 4 4. In addition to any other levy limitation factor under this section, a taxing district may
5 increase its levy in dollars to reflect new or increased mill levies authorized by the
6 legislative assembly or authorized by the electors of the taxing district.
- 7 5. Under this section a taxing district may supersede any applicable mill levy limitations
8 otherwise provided by law, or a taxing district may levy up to the mill levy limitations
9 otherwise provided by law without reference to this section, but the provisions of this
10 section do not apply to the following:
- 11 a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of
12 article X of the Constitution of North Dakota.
- 13 b. The one-mill levy for the state medical center authorized by section 10 of article X
14 of the Constitution of North Dakota.
- 15 6. A school district choosing to determine its levy authority under this section may apply
16 subsection 3 only to the amount in dollars levied for general fund purposes under
17 section 57-15-14 or, if the levy in the base year included separate general fund and
18 special fund levies under sections 57-15-14 and 57-15-14.2, the school district may
19 apply subsection 3 to the total amount levied in dollars in the base year for both the
20 general fund and special fund accounts. School district levies under any section other
21 than section 57-15-14 may be made within applicable limitations but those levies are
22 not subject to subsection 3.
- 23 7. Optional levies under this section may be used by any city or county that has adopted
24 a home rule charter unless the provisions of the charter supersede state laws related
25 to property tax levy limitations.

26 **SECTION 23. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-15-14. General fund levy limitations**Voter approval of excess levies in school
29 **districts.**

30 ~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any~~
31 ~~school district, except the Fargo school district, may not exceed the amount in dollars which the~~

- 1 ~~school district levied for the prior school year plus twelve percent up to a general fund levy of~~
2 ~~one hundred eighty five mills on the dollar of the taxable valuation of the district, except that:~~
- 3 1. Unless authorized by the electors of the school district in accordance with this section,
4 a school district may not impose greater levies than those permitted under section
5 57-15-14.2.
- 6 4. ~~a.~~ a. In any school district having a total population in excess of four thousand
7 according to the last federal decennial census there may be levied any specific
8 number of mills that upon resolution of the school board has been submitted to
9 and approved by a majority of the qualified electors voting upon the question at
10 any regular or special school district election.
- 11 ~~2.~~ ~~b.~~ b. In any school district having a total population of fewer than four thousand, there
12 may be levied any specific number of mills that upon resolution of the school
13 board has been approved by fifty-five percent of the qualified electors voting
14 upon the question at any regular or special school election.
- 15 ~~3.~~ ~~c.~~ c. After June 30, 2009, in any school district election for approval by electors of
16 increased levy authority under subsection 1 or 2, the ballot must specify the
17 number of mills proposed for approval, and the number of taxable years for which
18 that approval is to apply. After June 30, 2009, approval by electors of increased
19 levy authority under subsection 1 or 2 may not be effective for more than ten
20 taxable years.
- 21 4. ~~d.~~ d. The authority for a levy of up to a specific number of mills under this section
22 approved by electors of a school district before July 1, 2009, is terminated
23 effective for taxable years after 2015. If the electors of a school district subject to
24 this subsection have not approved a levy for taxable years after 2015 of up to a
25 specific number of mills under this section by December 31, 2015, the school
26 district levy limitation for subsequent years is subject to the limitations under
27 section 57-15-01.1 or this section.
- 28 e. For taxable years beginning after 2012:
29 (1) The authority for a levy of up to a specific number of mills, approved by
30 electors of a school district for any period of time that includes a taxable

year before 2009, must be reduced by one hundred ~~fifteen~~^{twenty-five} mills as a precondition of receiving state aid in accordance with chapter 15.1-27.

- (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by ~~forty~~^{fifty} mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is ~~eighty~~^{sixty} mills on the dollar of the taxable valuation of the school district.

5.f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

1 **SECTION 24. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **~~57-15-14.2. Mill levies requiring board action--Proceeds to general fund~~**
4 **~~account~~School district levies.**

- 5 ~~1. A school board of any school district may levy an amount sufficient to cover general~~
6 ~~expenses, including the costs of the following:~~
- 7 ~~a. Board and lodging for high school students as provided in section 15.1-30-04.~~
 - 8 ~~b. The teachers' retirement fund as provided in section 15-39.1-28.~~
 - 9 ~~c. Tuition for students in grades seven through twelve as provided in section~~
10 ~~15.1-29-15.~~
 - 11 ~~d. Special education program as provided in section 15.1-32-20.~~
 - 12 ~~e. The establishment and maintenance of an insurance reserve fund for insurance~~
13 ~~purposes as provided in section 32-12.1-08.~~
 - 14 ~~f. A final judgment obtained against a school district.~~
 - 15 ~~g. The district's share of contribution to the old age survivors' fund and matching~~
16 ~~contribution for the social security fund as provided by chapter 52-09 and to~~
17 ~~provide the district's share of contribution to the old age survivors' fund and~~
18 ~~matching contribution for the social security fund for contracted employees of a~~
19 ~~multidistrict special education board.~~
 - 20 ~~h. The rental or leasing of buildings, property, or classroom space. Minimum state~~
21 ~~standards for health and safety applicable to school building construction shall~~
22 ~~apply to any rented or leased buildings, property, or classroom space.~~
 - 23 ~~i. Unemployment compensation benefits.~~
 - 24 ~~j. The removal of asbestos substances from school buildings or the abatement of~~
25 ~~asbestos substances in school buildings under any method approved by the~~
26 ~~United States environmental protection agency and any repair, replacement, or~~
27 ~~remodeling that results from such removal or abatement, any remodeling~~
28 ~~required to meet specifications set by the Americans with Disabilities Act~~
29 ~~accessibility guidelines for buildings and facilities as contained in the appendix to~~
30 ~~28 CFR 36, any remodeling required to meet requirements set by the state fire~~

- 1 marshal during the inspection of a public school, and for providing an alternative
- 2 education program as provided in section 57-15-17.1.
- 3 k. ~~Participating in cooperative career and technical education programs approved~~
- 4 ~~by the state board.~~
- 5 l. ~~Maintaining a career and technical education program approved by the state~~
- 6 ~~board and established only for that school district.~~
- 7 m. ~~Paying the cost of purchasing, contracting, operating, and maintaining~~
- 8 ~~schoolbuses.~~
- 9 n. ~~Establishing and maintaining school library services.~~
- 10 o. ~~Equipping schoolbuses with two-way communications and central station~~
- 11 ~~equipment and providing for the installation and maintenance of such equipment.~~
- 12 p. ~~Establishing free public kindergartens in connection with the public schools of the~~
- 13 ~~district for the instruction of resident children below school age during the regular~~
- 14 ~~school term.~~
- 15 q. ~~Establishing, maintaining, and conducting a public recreation system.~~
- 16 r. ~~The district's share of contribution to finance an interdistrict cooperative~~
- 17 ~~agreement authorized by section 15.1-09-40.~~
- 18 2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of~~
- 19 ~~subsection 1. If a school district maintained a levy to finance either its participation in a~~
- 20 ~~cooperative career and technical education program or its sponsorship of~~
- 21 ~~single-district career and technical education programs prior to July 1, 1983, and the~~
- 22 ~~district discontinues its participation in or sponsorship of those career and technical~~
- 23 ~~education programs, that district must reduce the proposed aggregated expenditure~~
- 24 ~~amount for which its general fund levy is used by the dollar amount raised by its prior~~
- 25 ~~levy for the funding of those programs.~~
- 26 3. ~~All proceeds of any levy established pursuant to this section must be placed in the~~
- 27 ~~school district's general fund account and may be expended to achieve the purposes~~
- 28 ~~for which the taxes authorized by this section are levied. Proceeds from levies~~
- 29 ~~established pursuant to this section and funds provided to school districts pursuant to~~
- 30 ~~chapter 15.1-27 may not be transferred to the building fund within the school district.~~

- 1 1. TheFor taxable years after 2013, the board of a school district may levy a tax not
2 exceeding the amount in dollars that the school district levied for the prior year, plus
3 twelve percent, up to a levy of ~~eighty-six~~ mills on the taxable valuation of the district
4 for any purpose related to the provision of educational services. The proceeds of this
5 levy must be deposited into the school district's general fund and used in accordance
6 with this subsection. The proceeds may not be transferred into any other fund.
- 7 2. TheFor taxable years after 2013, the board of a school district may levy no more than
8 twelve mills on the taxable valuation of the district for miscellaneous purposes and
9 expenses. The proceeds of this levy must be deposited into a special fund known as
10 the miscellaneous fund and used in accordance with this subsection. The proceeds
11 may not be transferred into any other fund.
- 12 3. The board of a school district may levy no more than three mills on the taxable
13 valuation of the district for deposit into a special reserve fund, in accordance with
14 chapter 57-19.
- 15 4. The board of a school district may levy no more than the number of mills necessary,
16 on the taxable valuation of the district, for the payment of tuition, in accordance with
17 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
18 known as the tuition fund and used in accordance with this subsection. The proceeds
19 may not be transferred into any other fund.
- 20 5. Nothing in this section limits the board of a school district from levying:
 - 21 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - 22 b. Mills necessary to pay principal and interest on the bonded debt of the district.
- 23 6. For the taxable year 2013 only, the board of a school district may levy, for the
24 purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars
25 determined under this subsection, plus twelve percent, up to a combined levy of
26 seventy-two mills. For purposes of this subsection, the allowable twelve percent in
27 dollars is determined by multiplying the 2013 taxable valuation of the district by sixty-
28 two mills.

29 **SECTION 25. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is
30 amended and reenacted as follows:

April 28, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1423-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 11, remove "and"

Page 1, line 11, after "date" insert "; and to declare an emergency"

Page 21, line 7, replace "Two" with "One"

Page 21, line 7, after "hundred" insert "fifty"

Page 40, after line 17, insert:

"SECTION 35. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS - ADDITIONAL PURPOSES. Notwithstanding section 15.1-36-02, if as of December 31, 2014, any portion of the one hundred fifty million dollars referenced in subdivision b of subsection 1 of section 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the state board of university and school lands may authorize up to \$50 million of the uncommitted amount for the purpose of providing medical facility infrastructure loans in accordance with Reengrossed Senate Bill No. 2187, as enacted by the sixty-third legislative assembly."

Page 40, after line 29, insert:

"SECTION 41. EMERGENCY. Section 19 of this Act is declared to be an emergency measure."

Renumber accordingly

Sprinkle/Hackman
DP
Fassell

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319

That the Senate recede from its amendments as printed on pages 1424-1454 of the House Journal and pages 1029-1060 of the Senate Journal and that Reengrossed House Bill No. 1319 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 and a new section to chapter 15.1-35 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-07-32, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide supplemental assistance payments; to provide for a transfer; to provide for a legislative management study; to provide for a suspension; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

SECTION 2. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~ Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional

coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~:

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and serve-
2. Serve as a tutor or an instructional coach.

SECTION 3. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.

12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.

31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 4. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 5. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations ~~applicable to the property~~ under chapter 57-15. The

auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 6. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

1. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:

- a. ~~To purchase, exchange, lease, or improve sites for schools.~~
- b. ~~To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
- c. ~~To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
- d. ~~To provide fuel.~~
- e. ~~To defray the contingent expenses of the board, including the compensation of employees.~~
- f. ~~To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~

2. ~~The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements or limitations of this title and title 57.~~

SECTION 7. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to~~ may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~ the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall cause ~~certify~~ the rate for each purpose ~~to be certified by the business~~

~~manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~ The city auditor ~~to~~ shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~ make an assessment roll and tax list ~~to be made and~~ submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

SECTION 8. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected~~.

SECTION 9. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.

1. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.
2. ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 10. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015) Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.0790~~.082 the number of students enrolled in average daily membership, in order to support the-provision of special education services;
- l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and

- (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.500~~.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and

- (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.0790~~.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the

Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
 - p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 11. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
 - a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
 - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
 - g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
 - h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;

- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- b-l. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- t-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

- s.cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
 - t.dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
 - u.ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
 - v.ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
 - w.gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
 - x.hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
 - y.ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
 - z.jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
 - a. 1.25 if the students in average daily membership number fewer than 125;
 - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - c. 1.00 if the students in average daily membership number at least 200.
 3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
 4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 12. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

1. In order 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 2012-13 school year;

- b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
- c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
- d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
- e. An amount equal to that raised by the district's 2012 alternative education program levy; and
- f. An amount equal to:
 - (1) Seventy-five percent of all revenue received by the school district and 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) Seventy-five percent of all 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) Seventy-five percent of all tuition received by the school district and 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 and tuition received for the provision of an adult farm management program;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (6) All revenue received by the school district from mobile home taxes;
 - (7) Seventy-five percent of all revenue received by the school district 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);
 - (8) All telecommunications tax revenue received by the school district; and

- (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
- (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;
or
- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
- (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;
or
- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, 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; and

- b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
- 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.

SECTION 13. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 14. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

- 1. ~~Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:~~
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. ~~Any any school district that reorganizes on or after July 1, 2007.~~
- 2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
- 3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 15. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1.
 - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty.~~
 - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - ~~(1) The school district's calendar; or~~
 - ~~(2) One hundred eighty-one.~~
 - c. ~~Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:
 - ~~(1)~~a. The school district's calendar; or
 - ~~(2)~~b. One hundred eighty-two.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
 - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - b. The two days set aside for professional development activities under section 15.1-06-04; and
 - c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

- b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
- c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 16. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

- 1. a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
- b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.
- 3. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

SECTION 17. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

- ~~4. Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~

2- Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 18. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. a. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.
- b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.
2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.
3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 19. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

SECTION 20. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 21. A new section to chapter 15.1-35 of the North Dakota Century Code is created and enacted as follows:

Beverages - Snack breaks.

During the 2013-15 biennium, a school district may utilize resources provided in accordance with subdivision n of subsection 1 of section 15.1-27-03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is provided.

SECTION 22. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
 - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's imputed-taxable valuation per student is less than eighty percent of the state average imputed~~taxable~~ valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~twelve~~twenty million dollars or ~~eighty~~ninety percent of the actual project cost;

- b. An interest rate discount equal to at least one hundred but not more than ~~two~~four hundred fifty-basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 5.4. If an eligible school district's ~~imputed-taxable~~ valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed-taxable~~ valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~ten~~fifteen million dollars or ~~seventy~~eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 6.5. If an eligible school district's ~~imputed-taxable~~ valuation per student is equal to at least ninety percent of the state average ~~imputed-taxable~~ valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ~~four~~ten million dollars or ~~thirty~~seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than ~~two~~three hundred fifty-basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- 7.6. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8.7. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9.8. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
- 10. ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
- 9. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the

state treasurer, its evidence of indebtedness indicating that the loan originated under this section.

- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.

44-10. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 23. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision 1 of subsection 1 of ~~using the proceeds of levies, as permitted by section 57-15-14.2.~~

SECTION 24. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 25. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the

electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;

- b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. ~~Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~
 - e. ~~Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the~~

~~school district's mill levy reduction grant under section 57-64-02 for the base year.~~

- d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:

- (1) The ⁹applicable base year or ⁹budget year mill rate of the school district minus fifty mills; or
- (2) Sixty mills.

4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
- a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
- b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 26. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitations Voter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 2. b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
 3. c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
 4. d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
 - e. For taxable years beginning after 2012:
 - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred twenty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by fifty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
 - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.

5. f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 27. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. Mill levies requiring board action—Proceeds to general fund account~~School district levies.~~

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
- a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~
- b. ~~The teachers' retirement fund as provided in section 15-39.1-28.~~
- c. ~~Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
- d. ~~Special education program as provided in section 15.1-32-20.~~
- e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
- f. ~~A final judgment obtained against a school district.~~
- g. ~~The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school~~

~~building construction shall apply to any rented or leased buildings, property, or classroom space.~~

- ~~i. Unemployment compensation benefits.~~
 - ~~j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
 - ~~k. Participating in cooperative career and technical education programs approved by the state board.~~
 - ~~l. Maintaining a career and technical education program approved by the state board and established only for that school district.~~
 - ~~m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
 - ~~n. Establishing and maintaining school library services.~~
 - ~~o. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
 - ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
 - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
 - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~

1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of seventy-two mills. For purposes of this subsection, the allowable twelve percent in dollars is determined by multiplying the 2013 taxable valuation of the district by sixty-two mills.

SECTION 28. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy—~~Voter approval.~~

- ~~1. The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~

2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~ On July 1, 2013, each school district shall transfer the remaining any balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

SECTION 29. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~ construction of new school district buildings or ~~and facilities, or additions to old;~~
 - (2) The renovation, repair, or expansion of school district buildings or ~~and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.;~~
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (2)(5) The payment of rentals upon contracts with the state board of public school education.;
 - (3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57;
 - (4) ~~Within the limitations of school plans as provided in subsection 2 of section 57-15-16.;~~ and

~~(5)(7)~~ The payment of principal, ~~premium, if any~~premiums, and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.

~~(6)~~ The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.

- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 30. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17.1. School board levies—Multiyear mercury and hazardous substance abatement or removal—Required remodeling—Alternative education programs—Heating, ventilation, and air conditioning systemsDiscontinuation of special funds - Required transfers.

~~4.~~ The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:

- a. Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any

method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;

- b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;
 - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;
 - d. Providing alternative education programs; and
 - e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air conditioning engineers, incorporated standards.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.
3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.
5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.
6. Any On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys remaining in the required remodeling fund after completion of the remodeling projects, any funds, any moneys remaining in the alternative education program fund at the termination of the program, and any funds moneys remaining in the heating, ventilation, and air conditioning

~~upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.~~

SECTION 31. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 32. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum. The balance of moneys in the fund may not exceed that~~ which could be produced by a levy of the maximum mill levy allowed by law ~~fifteen mills~~ in that district for that year.

SECTION 33. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.~~
2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

SECTION 34. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 35. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.

4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
5. The tax statement must provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by taxpayers under chapter 15.1-27.
6. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 36. FAILED REORGANIZATION - SUPPLEMENTAL ASSISTANCE PAYMENT.

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other school district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and
 - c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enrolled in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much of that amount as may be necessary, to provide the supplemental assistance payment required by this section.

5. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly.

SECTION 37. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 38. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,

or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 39. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS - ADDITIONAL PURPOSES. Notwithstanding section 15.1-36-02, if as of December 31, 2014, any portion of the \$150,000,000 referenced in subdivision b of subsection 1 of section 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the state board of university and school lands may authorize up to \$50,000,000 of the uncommitted amount for the purpose of providing medical facility infrastructure loans in accordance with Reengrossed Senate Bill No. 2187, as enacted by the sixty-third legislative assembly.

SECTION 40. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.

1. During the 2014-15 school year, the department of career and technical education shall provide a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.
2. The amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
3. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent may transfer \$250,000, or so much of that amount as may be necessary, to the department of career and technical education, to provide the autism spectrum disorder grant required by this section.

SECTION 41. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

SECTION 42. SUSPENSION. Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 43. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 44. EXPIRATION DATE. Sections 11 through 13, 16, 18, 22, 29, and 32 through 35 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 45. EFFECTIVE DATE - EXPIRATION DATE.

1. Sections 1, 6, 7, 20, 23 through 28, 30, and 31 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective.
2. Section 57-15-17.1 remains effective through June 30, 2013, for the purpose of any levy and bond issuance authorized by the board of a school district from January 1, 2013, through June 30, 2013. The amendment to section 57-15-17.1, as set forth in section 30 of this Act, is effective beginning July 1, 2013, for the duration of the 2013 taxable year, and for the taxable year beginning after December 31, 2013.
3. Section 35 of this Act is effective for taxable years beginning after December 31, 2012, in the case of ad valorem taxes and for taxable years beginning after December 31, 2013, in the case of mobile home taxes.

SECTION 46. EMERGENCY. Sections 22, 36, and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

5-1-13

school district's mill levy reduction grant under section 57-64-02 for the base year.

- d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
 - (1) The ~~applicable~~ base year or budget year mill rate of the school district minus fifty mills; or
 - (2) Sixty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 26. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. General fund levy limitationsVoter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of seventy-two mills. For purposes of this subsection, the allowable ~~twelve percent~~ in dollars is determined by multiplying the 2013 taxable valuation of the district by ~~sixty-two mills~~. ~~the sum of fifty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.~~

increase

SECTION 28. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy—~~Voter~~ approval.

1. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~

1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.~~
2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

SECTION 34. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 35. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement.

- ~~1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.~~
- ~~2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.~~
- ~~3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.~~

- ~~4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.~~
- ~~5. The tax statement must provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by taxpayers under chapter 15.1-27.~~
- ~~6. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.~~

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must include:
- a. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include
 - b. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
 - c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by the taxpayer under chapter 15.1-27. For purposes of this subdivision, legislative tax relief is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:
 - (1) Sixty mills; or
 - (2) The 2012 taxable year mill rate of the school district minus fifty mills.
2. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

FROM
ABENGROSSED
HB 1290

4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
5. The tax statement must provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by taxpayers under chapter 15.1-27.
6. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

School district

SECTION 36. ~~FAILED REORGANIZATION~~ SUPPLEMENTAL ASSISTANCE PAYMENT.

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other school district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and
 - c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enrolled in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much of that amount as may be necessary, to provide the supplemental assistance payment required by this section.