

**FOURTH ENGROSSMENT  
with Conference Committee Amendments**

**REENGROSSED SENATE BILL NO. 2162**

Introduced by

Education Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to provide for the reimbursement of certain reorganized districts; to create  
2 and enact a new section to chapter 15-29 of the North Dakota Century Code, or in the  
3 alternative to create and enact a new section to chapter 15.1-09 of the North Dakota Century  
4 Code, relating to the joint employment of school district superintendents; to create and enact  
5 two new sections to chapter 15-40.1 of the North Dakota Century Code, relating to  
6 nonoperating schools and proportionate payments for summer school programs; to amend and  
7 reenact sections 15-35-01.1, 15-40.1-06, 15-40.1-07, 15-40.1-07.3, 15-40.1-08, subsection 1 of  
8 section 57-15-14.2, and section 57-15-17.1 of the North Dakota Century Code, relating to  
9 school construction approval, educational support per student, and payment factors; to provide  
10 an appropriation; to provide for a legislative council study; and to declare an emergency.

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

12 **SECTION 1.** If House Bill No. 1034 does not become effective, a new section to  
13 chapter 15-29 of the North Dakota Century Code is created and enacted as follows:

14 **School district superintendent - Joint employment - Accreditation.** The  
15 superintendent of public instruction may not impose through the accreditation process any  
16 penalties or sanctions on a school district for employing a superintendent jointly with one or  
17 more other districts. The superintendent may not require, through the accreditation process,  
18 that an employee of a school district having fewer than one hundred students in high school  
19 spend more than thirty-three percent of the employee's time performing the duties of a school  
20 principal if the school district employs a superintendent jointly with one or more other districts.

21 **SECTION 2. AMENDMENT.** Section 15-35-01.1 of the 1997 Supplement to the North  
22 Dakota Century Code is amended and reenacted as follows:

23 **15-35-01.1. Approval required for certain school district construction projects.**

- 1           1. Notwithstanding the powers and duties of school boards ~~of public school districts~~  
2           ~~otherwise~~ provided by law, all construction, purchase, repair, improvement,  
3           renovation, or modernization of any school building or facility within a school  
4           district estimated by the school boards to cost in excess of twenty-five thousand  
5           dollars may not be commenced unless approved by the superintendent of public  
6           instruction.
- 7           2. ~~No such~~ The superintendent of public instruction may not approve the  
8           construction, purchase, repair, improvement, renovation, or modernization of any  
9           school building or facility ~~may be approved~~ unless the school district proposing the  
10          project ~~demonstrates~~:  
11          a. Demonstrates the need for the project, the educational utility of the project,  
12          ~~fiscal need, and the ability to sustain a stable or increasing student enrollment~~  
13          for a period of time at least equal to the anticipated usable life of the project,  
14          or demonstrates potential utilization of the project by a future reorganized  
15          school district; and  
16          b. Demonstrates the capacity to pay for the project under rules adopted by the  
17          superintendent of public instruction pursuant to chapter 28-32 after receiving  
18          input from the state board of public school education.
- 19          3. In the event of disagreement between the superintendent of public instruction and  
20          the school board applying for approval of a construction project under this section,  
21          the school board may appeal the application to the state board of public school  
22          education and the decision of the state board approving or disapproving the  
23          application is final.
- 24          2- 4. For purposes of this section, "facility" includes a parking lot, athletic complex, or  
25          any other improvement to real property owned by the school district.
- 26          3- 5. This section does not apply to any construction, purchase, repair, improvement,  
27          renovation, or modernization required as part of a plan of correction approved by  
28          the state fire marshal under section 15-35-01.2, unless the cost of the  
29          improvements exceeds seventy-five thousand dollars.

30           **SECTION 3. AMENDMENT.** Section 15-40.1-06 of the 1997 Supplement to the North  
31    Dakota Century Code is amended and reenacted as follows:

1           **15-40.1-06. Declaration of legislative intent - Educational support per student -**  
2 **School district equalization factor - Limitations.**

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

- 1 must be supported for the ~~1991-92 school year~~ or for the first year that they  
2 become unaccredited in the amount of the educational support per student  
3 established in subdivision a, which is the basis for calculating grants-in-aid on  
4 a per student basis as provided in section 15-40.1-07, but those school  
5 districts are not entitled to the amounts resulting from applying the factors in  
6 that section. The amount of aid a school district is entitled to under this  
7 subsection for each high school that is not accredited must be reduced by two  
8 hundred dollars times the number of students in the school for the second  
9 school year that the high school is unaccredited, and an additional two  
10 hundred dollars per student in the unaccredited school for each additional  
11 year the school remains unaccredited. Any high school that becomes  
12 accredited is entitled to the per student payments provided for in section  
13 15-40.1-07 for the entire school year in which the school becomes accredited.
- 14 d. School districts operating elementary schools that are not accredited pursuant  
15 to the accreditation standards adopted by the superintendent of public  
16 instruction on July 1, 1992, or that become unaccredited in any succeeding  
17 school year must be supported for the ~~1992-93 school year~~ or for the first  
18 year that they become unaccredited in the amount of the educational support  
19 per student established in subdivision a, which is the basis for calculating  
20 grants-in-aid on a per student basis as provided in section 15-40.1-08, except  
21 that the amount of aid that a school district is entitled to under this subsection  
22 for each elementary school that is unaccredited must be reduced by two  
23 hundred dollars times the number of students in the school each year that the  
24 elementary school is unaccredited. Any elementary school that becomes  
25 accredited is entitled to the per student payments provided for in section  
26 15-40.1-08 for the entire school year in which the school becomes accredited.
- 27 3. In determining the amount of payments due school districts for tuition  
28 apportionment provided in section 15-44-03, and per student aid under this  
29 section, the amount of tuition apportionment, foundation aid, special education aid,  
30 and transportation aid for which a school district is eligible must be added together,  
31 and from that total, the following amounts must be subtracted:

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

16           **SECTION 4. AMENDMENT.** Section 15-40.1-07 of the 1997 Supplement to the North  
17 Dakota Century Code is amended and reenacted as follows:

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

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

1           ~~representing the five-year average cost of education per student for this category,~~  
2           ~~as determined by the superintendent of public instruction.~~

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

15          3. For each high school district having one hundred fifty or more, but less than five  
16          hundred fifty students in average daily membership in grades nine through twelve,  
17          the amount of money resulting from multiplying the factor 1.24 adjusted by  
18          ~~sixty-five~~ seventy-five percent of the difference between 1.24 and the factor  
19          representing the five-year average cost of education per student for this category,  
20          as determined by the superintendent of public instruction, times the number of high  
21          school students in grades nine through twelve registered in that school district,  
22          times the educational support per student provided in section 15-40.1-06.  
23          ~~Beginning July 1, 1998, the factor is 1.24 adjusted by seventy five percent of the~~  
24          ~~difference between 1.24 and the factor representing the five-year average cost of~~  
25          ~~education per student for this category, as determined by the superintendent of~~  
26          ~~public instruction.~~

27          4. For each high school district having a total high school enrollment of five hundred  
28          fifty or more students in average daily membership in grades nine through twelve,  
29          the amount of money resulting from multiplying the factor 1.14 adjusted by  
30          ~~sixty-five~~ seventy-five percent of the difference between 1.14 and the factor  
31          representing the five-year average cost of education per student for this category,

1 as determined by the superintendent of public instruction, times the number of high  
2 school students in grades nine through twelve registered in that school district,  
3 times the educational support per student provided in section 15-40.1-06.

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

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

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

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

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

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

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

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

18 **SECTION 5. AMENDMENT.** Section 15-40.1-07.3 of the 1997 Supplement to the  
19 North Dakota Century Code is amended and reenacted as follows:

20 **15-40.1-07.3. Per student payments - Reorganization of school districts.**

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

1 student as each separate school district received for each high school and  
2 elementary student prior to the reorganization, for a period of four years.

3 3. The weighting factor for each district will be adjusted proportionately over a period  
4 of two years, following the period of time provided in subsection 1 or 2, until the  
5 adjusted weighting factor equals the weighting factor for the combined enrollment  
6 resulting from the reorganization.

7 4. Notwithstanding the provisions of any other law, no school district may receive less  
8 in per student payments for the first year of its reorganization than the total amount  
9 that the districts participating in the reorganization received in per student  
10 payments for the school year immediately preceding the reorganization. If less  
11 than a whole school district participated in a reorganization, the superintendent of  
12 public instruction shall prorate the payments to which the newly reorganized district  
13 is entitled under this subsection.

14 **SECTION 6. AMENDMENT.** Section 15-40.1-08 of the 1997 Supplement to the North  
15 Dakota Century Code is amended and reenacted as follows:

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

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

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

1 or for each teacher times the educational support per student provided in section  
2 15-40.1-06, except that no payment may be made for more than thirty students in  
3 average daily membership in each classroom or for each teacher. ~~Beginning~~  
4 ~~July 1, 1998, the factor is .905 adjusted by seventy five percent of the difference~~  
5 ~~between .905 and the five year average cost of education per student for this~~  
6 ~~category, as determined by the superintendent of public instruction.~~

7 4. For each elementary school in school districts having an average daily  
8 membership of one thousand or more elementary students in grades one through  
9 six, the amount of money resulting from multiplying the factor .95 adjusted by  
10 ~~sixty five~~ seventy-five percent of the difference between .95 and the factor  
11 representing the five-year average cost of education per student for this category,  
12 as determined by the superintendent of public instruction, times the number of  
13 students in that school in grades one through six in average daily membership in  
14 each classroom or for each teacher times the educational support per student  
15 provided in section 15-40.1-06, except that no payment may be made for more  
16 than thirty students in average daily membership in each classroom or for each  
17 teacher. ~~Beginning July 1, 1998, the factor is .95 adjusted by seventy five percent~~  
18 ~~of the difference between .95 and the five year average cost of education per~~  
19 ~~student for this category, as determined by the superintendent of public instruction.~~

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

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

1 ~~of education per student for this category, as determined by the superintendent of~~  
2 ~~public instruction.~~

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

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

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

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

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

30 **SECTION 8.** A new section to chapter 15-40.1 of the North Dakota Century Code is  
31 created and enacted as follows:



1 penalties or sanctions on a school district for employing a superintendent jointly with one or  
2 more other districts. The superintendent may not require, through the accreditation process,  
3 that an employee of a school district having fewer than one hundred students in high school  
4 spend more than thirty-three percent of the employee's time performing the duties of a school  
5 principal if the school district employs a superintendent jointly with one or more other districts.

6 **SECTION 10. AMENDMENT.** Subsection 1 of section 57-15-14.2 of the North Dakota  
7 Century Code is amended and reenacted as follows:

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

- 1                    remodeling required to meet specifications set by the Americans with  
2                    Disabilities Act Accessibility Guidelines for Buildings and Facilities as  
3                    contained in the appendix to title 28, Code of Federal Regulations, part 36  
4                    [28 CFR 36], and any remodeling required to meet requirements set by the  
5                    state fire marshal during the inspection of a public school.
- 6                    k. Participating in cooperative vocational education programs approved by the  
7                    state board.
- 8                    l. Maintaining a vocational education program approved by the state board and  
9                    established only for that school district.
- 10                   m. Paying the cost of purchasing, contracting, operating, and maintaining  
11                   schoolbuses.
- 12                   n. Establishing and maintaining school library services.
- 13                   o. Equipping schoolbuses with two-way communications and central station  
14                   equipment and providing for the installation and maintenance of such  
15                   equipment.
- 16                   p. Establishing free public kindergartens in connection with the public schools of  
17                   the district for the instruction of resident children below school age during the  
18                   regular school term.
- 19                   q. Establishing, maintaining, and conducting a public recreation system.
- 20                   r. The district's share of contribution to finance an interdistrict cooperative  
21                   agreement authorized by section 15-47-40.1.

22                   **SECTION 11. AMENDMENT.** Section 57-15-17.1 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24                   **57-15-17.1. Multiyear asbestos abatement and required remodeling levy by**  
25 **school district.**

- 26                   1. The governing body of any public school district may by resolution adopted by a  
27                   two-thirds vote of the school board dedicate a tax levy for purposes of this section  
28                   of not exceeding fifteen mills on the dollar of taxable valuation of property within  
29                   the district for a period not longer than fifteen years. The school board may  
30                   authorize and issue general obligation bonds to be paid from the proceeds of this  
31                   dedicated levy for the purpose of ~~providing~~:

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

27           **SECTION 12. REIMBURSEMENT - REORGANIZED DISTRICTS.** In distributing per  
28 student payments for the 1997-99 biennium, the superintendent of public instruction shall  
29 ensure that no school district reorganized after June 30, 1997, and before July 1, 1999,  
30 receives less in per student payments for the first year of its reorganization than the districts

1 participating in the reorganization received in per student payments for the school year  
2 immediately preceding the reorganization.

3 **SECTION 13. LEGISLATIVE COUNCIL STUDY OF EDUCATIONAL EQUITY AND**

4 **FUTURE EDUCATIONAL DELIVERY.** The legislative council shall study the provision of

5 education to public school students in this state and shall examine the manner in which

6 education to public school students will be delivered in the ensuing five, ten, and twenty years.

7 Within this study, the council shall address demographic changes as they affect equity of

8 educational opportunities with respect to courses, facilities, and extracurricular activities; equity

9 with respect to teacher availability and qualifications; equity with respect to the organization and

10 administration of school districts; and taxpayer equity in both rural and urban school districts.

11 The legislative council shall report its findings and recommendations, together with any

12 legislation necessary to implement the recommendations, to the fifty-seventh legislative

13 assembly.

14 **SECTION 14. APPROPRIATION - CONTINGENT DISTRIBUTIONS.**

15 1. a. There is hereby appropriated out of any moneys in the general fund in the  
16 state treasury, not otherwise appropriated, the sum of \$3,500,000, or so much  
17 of the sum as may be necessary, to the superintendent of public instruction  
18 for the purpose of providing supplemental payments to school districts, for the  
19 biennium beginning July 1, 1999, and ending June 30, 2001.

20 b. During the first year of the biennium, the superintendent shall distribute  
21 \$1,750,000 of the appropriated amount as supplemental per student  
22 payments to each school district in the state on the basis of average daily  
23 membership and \$1,000,000 of the appropriated amount to assist school  
24 districts whose 1999-2000 fall enrollment is less than the district's 1994-1995  
25 fall enrollment. The superintendent shall base the latter payments on each  
26 eligible school district's proportionate share of the total statewide decline  
27 during the five-year period, provided that no school district is eligible to  
28 receive payments for declining enrollments in excess of five hundred  
29 students.

- 1           c. During the second year of the biennium, the superintendent shall distribute  
2           the remaining \$750,000 as supplemental per student payments to each  
3           school district in the state on the basis of average daily membership.
- 4           2. a. If any funds appropriated by the legislative assembly to the grants -  
5           foundation aid and transportation line item remain after completion of all  
6           statutory obligations, to the extent of legislative appropriations, the  
7           superintendent of public instruction shall distribute the first \$1,000,000 of  
8           such contingent funds as supplemental per student payments to each school  
9           district in the state on the basis of average daily membership.
- 10          b. The superintendent shall distribute the next \$1,000,000 of such contingent  
11          funds to assist school districts experiencing declines in student enrollment  
12          under the terms provided for by subdivision b of subsection 1.
- 13          c. The superintendent shall distribute the next \$2,000,000 of such contingent  
14          funds to school districts eligible to receive reorganization bonuses, as  
15          provided for by Senate Bill No. 2441, as approved by the fifty-sixth legislative  
16          assembly, and shall distribute any remaining funds as supplemental per  
17          student payments to each school district in the state on the basis of average  
18          daily membership.

19           **SECTION 15. REORGANIZATION BONUSES - LEGISLATIVE INTENT.** If insufficient  
20 funds exist to fully reimburse all school districts eligible for reorganization bonuses, as provided  
21 for by Senate Bill No. 2441, as approved by the fifty-sixth legislative assembly, the fifty-seventh  
22 legislative assembly shall consider introduction of an emergency measure to adopt a deficiency  
23 appropriation in an amount necessary to provide the full reimbursement.

24           **SECTION 16. EMERGENCY.** Sections 2, 7, and 12 of this Act are declared to be an  
25 emergency measure.