

Fifty-eighth  
Legislative Assembly  
of North Dakota

## REENGROSSED SENATE BILL NO. 2154

Introduced by

Education Committee

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

1 A BILL for an Act to amend and reenact sections 15.1-27-04, 15.1-27-06, 15.1-27-07,  
2 15.1-27-11, 15.1-27-37, and 15.1-27-39 of the North Dakota Century Code, relating to school  
3 district per student payments, weighting factors for per student payments, supplemental  
4 payments, and teacher compensation; and to provide an appropriation.

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

6 **SECTION 1. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-27-04. Per student payment.** The per student payment to which each school  
9 district is entitled for the first year of the biennium is two thousand ~~two~~ four hundred  
10 ~~eighty-seven~~ ninety-seven dollars. The per student payment to which each school district is  
11 entitled for the second year of the biennium is two thousand ~~three~~ six hundred ~~forty-seven~~  
12 nineteen dollars. The per student amount is the basis for calculating state payments to school  
13 districts, as provided in sections 15.1-27-06 and 15.1-27-07.

14 **SECTION 2. AMENDMENT.** Section 15.1-27-06 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **15.1-27-06. Per student payments - Weighting factors - High school students.**

17 The superintendent of public instruction shall make payments each year, as provided for in this  
18 section, to each school district operating a high school and to each school district contracting to  
19 educate high school students in a federal school, subject to adjustment as provided in section  
20 15.1-27-21.

21 1. ~~Each district having under seventy five students in average daily membership in~~  
22 ~~grades nine through twelve is entitled to receive the amount of money that results~~  
23 ~~from multiplying the factor 1.625 adjusted by seventy five percent of the difference~~  
24 ~~between 1.625 and the factor representing the five year average cost of education~~

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1           ~~per student for this category, as determined by the superintendent of public~~  
2           ~~instruction, by the number of students in grades nine through twelve who are~~  
3           ~~registered in that district, times the per student payment provided for in section~~  
4           ~~15.1-27-04.~~

5           2. Each district having at least ~~seventy-five but fewer than~~ under one hundred fifty  
6           students in average daily membership in grades nine through twelve is entitled to  
7           receive the amount of money that results from multiplying the factor 1.335 adjusted  
8           by ~~seventy-five~~ eighty-five percent of the difference between 1.335 and the factor  
9           representing the five-year average cost of education per student for this category,  
10          as determined by the superintendent of public instruction, by the number of  
11          students in grades nine through twelve who are registered in that district, times the  
12          per student payment provided for in section 15.1-27-04. Beginning July 1, 2004,  
13          the factor is that which represents the five-year average cost of education per  
14          student in this category, as determined by the superintendent of public instruction.

15          ~~3.~~ 2. Each district having at least one hundred fifty but fewer than five hundred fifty  
16          students in average daily membership in grades nine through twelve is entitled to  
17          receive the amount of money that results from multiplying the factor 1.24 adjusted  
18          by ~~seventy-five~~ eighty-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, by the number of  
21          students in grades nine through twelve who are registered in that district, times the  
22          per student payment provided for in section 15.1-27-04. Beginning July 1, 2004,  
23          the factor is that which represents the five-year average cost of education per  
24          student in this category, as determined by the superintendent of public instruction.

25          ~~4.~~ 3. Each district having at least five hundred fifty students in average daily  
26          membership in grades nine through twelve is entitled to receive the amount of  
27          money that results from multiplying the factor 1.14 adjusted by ~~seventy-five~~  
28          eighty-five percent of the difference between 1.14 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, by the number of students in grades nine  
31          through twelve who are registered in that district, times the per student payment

1 provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which  
2 represents the five-year average cost of education per student in this category, as  
3 determined by the superintendent of public instruction.

4 ~~5-~~ 4. Each district having an approved alternative high school education program is  
5 entitled to receive the amount of money that results from multiplying the factor in:

6 a. Subsection 1 by the number of students registered in the alternative  
7 education program, times the per student payment provided for in section  
8 15.1-27-04, if ~~fewer than seventy five students in average daily membership~~  
9 ~~are enrolled in the alternative education program.~~

10 b. ~~Subsection 2 by the number of students registered in the alternative~~  
11 ~~education program, times the per student payment provided for in section~~  
12 ~~15.1-27-04, if at least seventy five but fewer than one hundred fifty students in~~  
13 ~~average daily membership are enrolled in the alternative education program.~~

14 e. b. Subsection ~~3~~ 2 by the number of students registered in the alternative  
15 education program, times the per student payment provided for in section  
16 15.1-27-04, if at least one hundred fifty but fewer than five hundred fifty  
17 students in average daily membership are enrolled in the alternative  
18 education program.

19 e. c. Subsection ~~4~~ 3 by the number of students registered in the alternative  
20 education program, times the per student payment provided for in section  
21 15.1-27-04, if at least five hundred fifty students in average daily membership  
22 are enrolled in the alternative education program.

23 ~~6-~~ 5. In order to be eligible for enumeration under this section, a student:

- 24 a. Must have completed the work of the eighth grade;  
25 b. Must not have completed the work of the twelfth grade; and  
26 c. Must be a resident of this state or a nonresident attending a school in this  
27 state under the auspices of a foreign student exchange program.

28 **SECTION 3. AMENDMENT.** Section 15.1-27-07 of the North Dakota Century Code is  
29 amended and reenacted as follows:

30 **15.1-27-07. Per student payments - Weighting factors - Elementary school**  
31 **students.** The superintendent of public instruction shall make payments each year, as

1 provided for in this section, to each school district operating an elementary school and to each  
2 school district contracting to educate elementary students in a federal school, subject to  
3 adjustment as provided in section 15.1-27-21.

- 4       1.   a.   Each district having only a one-room rural school is entitled to receive the  
5           amount of money that results from multiplying the factor 1.28 adjusted by  
6           ~~seventy-five~~ eighty-five percent of the difference between 1.28 and the factor  
7           representing the five-year average cost of education per student for this  
8           category, as determined by the superintendent of public instruction, by the  
9           number of students in average daily membership in grades one through eight  
10          in that school, times the per student payment provided for in section  
11          15.1-27-04. Beginning July 1, 2004, the factor is that which represents the  
12          five-year average cost of education per student in this category, as  
13          determined by the superintendent of public instruction. The payment level  
14          provided for in this subdivision is applicable only to the first sixteen students.  
15       b.   If the one-room rural school has more than sixteen students in average daily  
16          membership in grades one through eight, the district in which the school is  
17          located is entitled to receive ninety percent of the per student payment  
18          provided for in section 15.1-27-04 for each additional student. The district is  
19          not entitled to any payment for more than twenty students in average daily  
20          membership.  
21       c.   If a one-room rural school is located in a district having another elementary  
22          school, the weighting factor for the students in grades one through six must  
23          be based on the average daily membership in the district in grades one  
24          through six, as provided in this section.  
25       d.   If a one-room rural school is located in a school district with another school  
26          that has students in grade seven or eight, the weighting factor for the students  
27          in grade seven or eight must be the same as that provided for in subsection 5.  
28       2.   Except as provided in subsection 1, each school district having fewer than one  
29          hundred students in average daily membership in grades one through six is  
30          entitled to receive the amount of money that results from multiplying the factor 1.09  
31          adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.09 and the

- 1 factor representing the five-year average cost of education per student for this  
2 category, as determined by the superintendent of public instruction, by the number  
3 of students in average daily membership in grades one through six in the district,  
4 times the per student payment provided for in section 15.1-27-04. Beginning  
5 July 1, 2004, the factor is that which represents the five-year average cost of  
6 education per student in this category, as determined by the superintendent of  
7 public instruction. The payment provided for in this subsection is applicable only to  
8 the first twenty-five students in average daily membership per classroom or per  
9 teacher.
- 10 3. Each school district having at least one hundred students but fewer than one  
11 thousand students in average daily membership in grades one through six is  
12 entitled to receive the amount of money that results from multiplying the factor .905  
13 adjusted by ~~seventy-five~~ eighty-five percent of the difference between .905 and the  
14 factor representing the five-year average cost of education per student for this  
15 category, as determined by the superintendent of public instruction, by the number  
16 of students in average daily membership in grades one through six in the district,  
17 times the per student payment provided for in section 15.1-27-04. Beginning  
18 July 1, 2004, the factor is that which represents the five-year average cost of  
19 education per student in this category, as determined by the superintendent of  
20 public instruction. The payment provided for in this subsection is applicable only to  
21 the first thirty students in average daily membership per classroom or per teacher.
- 22 4. Each school district having at least one thousand students in average daily  
23 membership in grades one through six is entitled to receive the amount of money  
24 that results from multiplying the factor .95 adjusted by ~~seventy-five~~ eighty-five  
25 percent of the difference between .95 and the factor representing the five-year  
26 average cost of education per student for this category, as determined by the  
27 superintendent of public instruction, by the number of students in average daily  
28 membership in grades one through six in the district, times the per student  
29 payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is  
30 that which represents the five-year average cost of the education per student in  
31 this category, as determined by the superintendent of public instruction. The

1 payment provided for in this subsection is applicable only to the first thirty students  
2 in average daily membership per classroom or per teacher.

3 5. Each school district having students in grades seven and eight is entitled to  
4 receive the amount of money that results from multiplying the factor 1.01 adjusted  
5 by ~~seventy-five~~ eighty-five percent of the difference between 1.01 and the factor  
6 representing the five-year average cost of education per student for this category,  
7 as determined by the superintendent of public instruction, by the number of  
8 students in average daily membership in grades seven and eight in the district,  
9 times the per student payment provided for in section 15.1-27-04. Beginning  
10 July 1, 2004, the factor is that which represents the five-year average cost of  
11 education per student in this category, as determined by the superintendent of  
12 public instruction. The payment provided for in this subsection is applicable only to  
13 the first thirty students in average daily membership per classroom or per teacher.  
14 The payments provided for in this subsection are not available for students who  
15 attend a one-room rural school if that school is the only one in the district that  
16 offers educational services to students in grades seven and eight.

17 6. Each school district having a special education program approved by the director  
18 of special education is entitled to receive, for each student who is enrolled in the  
19 program and who is at least three years of age but less than the compulsory age  
20 for school attendance, the amount of money that results from multiplying the factor  
21 1.01 adjusted by ~~seventy-five~~ eighty-five percent of the difference between 1.01  
22 and the factor representing the five-year average cost of education per student for  
23 this category, as determined by the superintendent of public instruction, by the  
24 number of special education students in average daily membership in the program  
25 who are at least three years of age but less than the compulsory age for school  
26 attendance, times the per student payment provided for in section 15.1-27-04.  
27 Beginning July 1, 2004, the factor is that which represents the five-year average  
28 cost of education per student in this category, as determined by the superintendent  
29 of public instruction.

30 7. a. Each school district operating a kindergarten as provided for in section  
31 15.1-22-02 is entitled to receive the amount of money that results from

1 multiplying the factor .50 adjusted by ~~seventy-five~~ eighty-five percent of the  
2 difference between .50 and the factor representing the five-year average cost  
3 of education per student for this category, as determined by the  
4 superintendent of public instruction, by the number of kindergarten students in  
5 average daily membership in the district, times the per student payment  
6 provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that  
7 which represents the five-year average cost of education per student in this  
8 category, as determined by the superintendent of public instruction. The  
9 payment provided for in this subsection is applicable only to the first  
10 twenty-five students in average daily membership per classroom or per  
11 teacher.

12 b. In order to receive the full per student payment available under this section, a  
13 district must operate a kindergarten program that provides the equivalent of  
14 ninety full days of classroom instruction during a twelve-month period. A  
15 district is entitled to a prorated payment under this section if it operates a  
16 kindergarten program of shorter duration.

17 8. Each school district that educates students who are also enrolled in nonpublic  
18 schools is entitled to receive proportionate payments under this section.

19 9. Each school district is entitled to receive as much in total payments for elementary  
20 students as it would have received if it had the highest number of students in the  
21 next lower category.

22 10. A school district is not entitled to any payments provided for by this chapter unless  
23 each teacher employed by the district:

24 a. Holds a teaching license issued by the education standards and practices  
25 board; or

26 b. Has been approved to teach by the education standards and practices board.

27 **SECTION 4. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **15.1-27-11. High school districts - Supplemental payments.**

30 1. The superintendent of public instruction shall calculate ~~the average valuation of~~  
31 ~~property per student by dividing the number of students in average daily~~

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- 1 membership in grades one through twelve in a high school district into the district's  
2 latest available net assessed and equalized taxable valuation of property. If the  
3 quotient is less than the latest available statewide average taxable valuation per  
4 student and if the district's educational expenditure per student is below the most  
5 recent available statewide average cost of education per student, the  
6 superintendent of public instruction shall:
- 7 1. ~~Determine the difference between the latest available statewide average taxable~~  
8 ~~valuation per student and the average taxable valuation per student in the high~~  
9 ~~school district;~~
  - 10 2. ~~Multiply the result determined under subsection 1 by the number of students in~~  
11 ~~average daily membership in grades one through twelve in the high school district;~~
  - 12 3. ~~Multiply the result determined under subsection 2 by the number of general fund~~  
13 ~~mills levied by the district in excess of one hundred fifty, provided that any mills~~  
14 ~~levied by the district which are in excess of two hundred ten may not be used in~~  
15 ~~this calculation; and~~
  - 16 4. ~~Multiply the result determined under subsection 3 by thirty percent. The result is~~  
17 ~~the supplemental payment to which a high school district is entitled, in addition to~~  
18 ~~any other amount provided under chapter 15.1-27 a school district's average~~  
19 ~~revenue per student by multiplying the taxable valuation of a school district by its~~  
20 ~~general fund mill levy rate, adding to the product all county, state, and unrestricted~~  
21 ~~federal revenue received by the district, adding all tuition apportionment payments~~  
22 ~~received by the district, and dividing the total by the number of students in average~~  
23 ~~daily membership in the district.~~
  - 24 2. Using the calculations of subsection 1, the superintendent of public instruction  
25 shall also determine the state average revenue per student.
  - 26 3. If a school district has a general fund levy of one hundred eighty mills or more and  
27 has an average revenue per student which is below the state average revenue per  
28 student, the school district is eligible to receive supplemental payments under this  
29 section.



- 1           4. In order to determine the amount of supplemental payments to which an eligible  
2           school district is entitled under this section, the superintendent of public instruction  
3           shall:  
4           a. Divide the state average revenue per student by the school district's average  
5           revenue per student;  
6           b. Multiply the result determined under subdivision a by the number of students  
7           in average daily membership in the school district; and  
8           c. Prorate the product determined under subdivision b for each eligible school  
9           district in relation to the total biennial appropriation for supplemental  
10          payments under this section.

11           **SECTION 5. AMENDMENT.** Section 15.1-27-37 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13           **15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.**

- 14           1. On or before October first of each year or within thirty days after the conclusion of  
15           the negotiation process provided for in chapter 15.1-16, the board of a school  
16           district may file a claim with the superintendent of public instruction for the  
17           reimbursement of moneys to be expended by the district during the school year to  
18           increase the compensation of teachers employed by the district.  
19           2. The claim must include:  
20           a. The number of full-time equivalent teachers employed by the district as of  
21           September fifteenth;  
22           b. The number of full-time equivalent teachers who will receive an increase in  
23           compensation over the amount paid during the previous school year; and  
24           c. The total amount of the increase in compensation.  
25           3. a. ~~For the 2001-02 school year, the reimbursement provided for in this section~~  
26           ~~may not exceed one thousand dollars multiplied by the number of full-time~~  
27           ~~equivalent teachers employed by the district as of September 15, 2001.~~  
28           b. Except as provided in subdivision e, ~~for the 2002-03 school year~~ b, for each  
29           year of the biennium, the reimbursement provided for in this section may not  
30           exceed three thousand dollars multiplied by the number of full-time equivalent

1 teachers employed by the district as of September ~~15, 2002~~ fifteenth of each  
2 school year.

3 e. ~~b.~~ ~~For the 2002-03 school year, the~~ The reimbursement under this section for  
4 each individual employed as of September ~~15, 2002~~ fifteenth of each school  
5 year, as a full-time equivalent teacher for the first school year since becoming  
6 licensed to teach by the education standards and practices board or approved  
7 to teach by the education standards and practices board, may not exceed one  
8 thousand dollars.

9 4. For purposes of this section, the claim of a district may include proportionate  
10 expenditures made by the district to compensate individuals employed as teachers  
11 by the special education unit or the area vocational and technology center to which  
12 the district belongs.

13 5. The superintendent of public instruction may adopt rules regarding claims for and  
14 the payment of reimbursements under this section.

15 **SECTION 6. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **15.1-27-39. Annual salary - Minimum amount.** Beginning with the ~~2004-02~~ 2003-04  
18 school year, the board of each school district shall provide to each full-time teacher, under  
19 contract for a period of nine months, a base salary level ~~of salary~~ for the contract period equal  
20 to at least ~~eighteen~~ twenty-one thousand ~~five hundred~~ dollars. Beginning with the ~~2002-03~~  
21 2004-05 school year, the board of each school district shall provide to each full-time teacher,  
22 under contract for a period of nine months, a base salary level for the contract period equal to  
23 at least ~~twenty~~ twenty-two thousand five hundred dollars.

24 **SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the  
25 general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so  
26 much of the sum as may be necessary, to the superintendent of public instruction for the  
27 purpose of providing supplemental payments to school districts, for the biennium beginning  
28 July 1, 2003, and ending June 30, 2005.

29 **SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the  
30 general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so  
31 much of the sum as may be necessary, to the superintendent of public instruction for the

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1 purpose of providing reorganization bonuses under section 15.1-12-11.1 and joint powers  
2 agreement incentives to school districts, for the biennium beginning July 1, 2003, and ending  
3 June 30, 2005. The superintendent of public instruction shall determine the eligibility of  
4 reorganized districts chronologically, according to the date on which each district's  
5 reorganization plan was approved by the state board of public school education. No  
6 reorganization bonus payable under this Act may exceed \$500,000. A reorganized district that  
7 receives a reorganization bonus under this Act is not eligible to receive additional  
8 reorganization bonuses based on future reorganization efforts for a period of ten years.