

February 8, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, and 15.1-37-01 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, age of admission, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide an appropriation; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, the use of federal education jobs fund program grants, and the distribution of transportation grants and regional education association grants; to provide for a legislative management study and reports; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related

technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.

4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~Early childhood education - Authorization - Support.**

1. The board of a school district may establish ~~a prekindergarten~~ an early childhood education program and may ~~receive and expend any state~~ support that program with:
  - a. Local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services;
  - b. State moneys specifically appropriated for the program, ~~any federal;~~
  - c. Federal funds specifically appropriated or approved for the program, ~~and any gifts,;~~ and
  - d. Gifts, grants, and donations specifically given for the program.
2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and

- (2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
    - (2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
    - (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. ~~For purposes of this subsection:~~
- (1) ~~"Administrative functions" means:~~
    - (a) ~~Business management;~~
    - (b) ~~Career and technical education services management;~~
    - (c) ~~Curriculum mapping or development;~~
    - (d) ~~Data analysis;~~
    - (e) ~~Federal program support;~~

- ~~(f) — Federal title program management;~~
- ~~(g) — Grant writing;~~
- ~~(h) — School improvement;~~
- ~~(i) — School safety and environment management;~~
- ~~(j) — Special education services management;~~
- ~~(k) — Staff development;~~
- ~~(l) — Staff retention and recruitment;~~
- ~~(m) — Staff sharing;~~
- ~~(n) — Technology support; and~~
- ~~(o) — Any other functions approved by the superintendent of public instruction.~~

~~(2) — "Student services" means:~~

- ~~(a) — Advanced placement classes;~~
- ~~(b) — Alternative high schools or alternative high school programs;~~
- ~~(c) — Career and technical education classes;~~
- ~~(d) — Counseling services;~~
- ~~(e) — Common elementary curricula;~~
- ~~(f) — Distance learning classes;~~
- ~~(g) — Dual credit classes;~~
- ~~(h) — Foreign language classes;~~
- ~~(i) — Library and media services;~~
- ~~(j) — Summer programs;~~
- ~~(k) — Supplemental instruction programs; and~~
- ~~(l) — Any other services approved by the superintendent of public instruction.~~

~~e. — For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~5. — The joint powers agreement provides must provide:~~

- ~~a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;~~
- ~~b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and~~

- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7-6. The joint powers agreement must:
- a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Compensation of members.**

Each member of the professional development advisory committee, is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

**SECTION 6. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1. a. Any person having responsibility for a child between the ages of seven~~six~~ and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.  
b. Beginning July 1, 2015, any person having responsibility for a child between the ages of six and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~six~~five in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~six~~five from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation – ~~Diploma~~diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:~~
  - ~~a. One unit of physical science;~~

- b. ~~One unit of biology; and~~
- c. ~~(1) One unit of any other science; or~~
  - ~~(2) Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~
    - ~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~
  - b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
- 1. The twenty-two units of high school coursework set forth in section 8 of this Act; and
- 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;

- b. One unit of biology; and
- c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:

- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
6. Completed:
- a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e.7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- ~~2.~~ Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- ~~3-8.~~ a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit;  
and

4.9. ReceivesReceived:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or

b. One-half unit of physical education and one-half unit of health;

6. a. Completed:

- (1) Two units of the same foreign or native American language;
- (2) One unit of fine arts or career and technical education American sign language; and

(3)b. One unit of a foreign or nativeselected from:

- (1) Foreign languages;
- (2) Native American language, finelanguages;
- (3) American sign language;
- (4) Fine arts, or career, or
- (5) Career and technical education;

2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;

3-7. ObtainsCompleted any five additional units, one of which must be in the area of fine arts or career and technical education;

8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; or

b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit;

4-9. ReceivesReceived a composite score of at least twenty-four on an ACT; and

5-10. a. CompletesFulfilled any one unit requirement set forth in subsections 1 through 7 of this section by meansof an advanced placement course and examination; or

b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. ~~The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical~~

~~education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:~~

~~a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and~~

~~b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:~~

~~(1) Maintained a cumulative grade point average of 2.75; and~~

~~(2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.~~

~~2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.~~

~~3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section.~~

~~2-4. A student is not entitled to receive more than six thousand dollars in scholarships under this section.~~

~~3-5. The state board of higher education shall forward the scholarship all scholarships under this section directly to the institution in at which the student is enrolled.~~

~~4-6. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.~~

~~5-7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.~~

8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days.

**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 13. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test~~annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~  
~~the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 14. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 15. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. The student's school district of residence superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district. At the time and in the manner determined by the superintendent of public instruction, each

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 16. 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. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for ~~the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. 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 17. 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, 2011) 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 on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and 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. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 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 on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 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; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~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 after June 30, 2011) 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 ~~are~~:
- ~~(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 are~~
  - ~~(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. ~~0.25~~ the number of full-time equivalent students ~~enrolled in an isolated elementary school;~~
- h. ~~0.25~~ the number of full-time equivalent students ~~enrolled in an isolated high school;~~
- i. ~~0.20~~ the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.h. 0.20 the number of full-time equivalent students who ~~are~~:
- ~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not 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 are~~
  - ~~(2) Are enrolled in a program of instruction for English language learners;~~
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h.j. ~~0.07~~ 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. ~~0.073~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m.l. 0.07 the number of full-time equivalent students who ~~are~~:
- ~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are 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.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; and
- p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
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 18. 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, 2011) 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 on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and 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. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 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 on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~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; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
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 after June 30, 2011) 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-~~are~~:
  - (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 are
  - (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. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 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;~~
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.i. 0.20 the number of full-time equivalent students who-~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~ 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 are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t.k. ~~0.07~~ 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. 0.073 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-~~are~~;

- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second 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. 0.006 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
- p. 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; and
- ~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
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 19. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~sixty-one~~ dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seventy-nine~~seventy-nine hundred ~~seventy-nine~~sixty-one dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's

weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 20. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a.—The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty-four~~two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b.—~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

### 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.

**SECTION 22. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts -- Unobligated general fund balance -- Report to legislative council.**

- ~~1. 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 fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, 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.~~

- ~~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:
  - ~~a. (1) Were received by the district during the school year ending June 30, 2009, 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; and~~
  - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - ~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~~~
- ~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

1. 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 fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, 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.
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 23. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

### **15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1.a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2.b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3.c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment.
2. Per student funding will not be provided to individuals or school districts offering a ~~prekindergarten~~ early childhood education program.

### **SECTION 24. 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 school year, 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 2012-13 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 2013-14 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 2014-15 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 25. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - d. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 26. FEDERAL EDUCATION JOBS FUND PROGRAM GRANTS - ALLOWABLE USES.**

1. Federal education jobs fund program grants distributed to school districts may be used only for:
  - a. The improvement, renovation, repair, or modernization of school buildings and facilities, including deferred maintenance; weatherization; heating, ventilation, and cooling projects; asbestos removal and abatement; security improvements; and laboratory improvements provided that the projects meet the approval requirements of section 15.1-36-01;
  - b. Building additions, provided the additions do not exceed twenty-five percent of the square footage of the building to which they are to be attached and further provided that the additions meet the approval requirements of section 15.1-36-01;

- c. Equipment, including technological equipment, career and technical education equipment, vehicles for instructional purposes, and vehicles for student transportation;
  - d. Textbooks, instructional materials, and library media materials;
  - e. Title I expenditures; and
  - f. Professional development for teachers and administrators.
2. Each school district expending federal education jobs fund program grants shall file a report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must include a description of all expenditures, obligations, or other commitments made as a result of receiving a federal education jobs fund program grant. The superintendent shall compile the information and present it to the legislative council.

**SECTION 27. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

- 1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
- 2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;

- (9) Regional education association moneys and grants; and
- (10) Transportation payments; and
- c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
- 3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
- 4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 28. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 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, for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

- 1. In order to receive a grant under this section, each regional education association must:
  - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
  - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
- 2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

**SECTION 29. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants in the amount of \$1,200 on behalf of individuals seeking a child development associate credential, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 30. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000,

or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

**SECTION 31. APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.
2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.

5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 32. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, 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.

**SECTION 33. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 34. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December 31, 2011, and December 31, 2012, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**SECTION 35. LEGISLATIVE MANAGEMENT STUDY - TEACHER COMPENSATION REFORM.** During the 2011-12 interim, the legislative management shall consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 36. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 37. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2013."

Renumber accordingly