

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2013

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 public instruction, the state library, the school for the deaf, and North Dakota vision services -
3 school for the blind; to amend and reenact sections 15.1-02-02, 15.1-27-04.1, 15.1-32-01,
4 15.1-32-14, 15.1-32-18, and 54-24.3-01 of the North Dakota Century Code, relating to the
5 salary of the superintendent of public instruction, baseline funding, high-cost students, and
6 regional library cooperative definitions; to provide for a transfer; to provide a statement of
7 legislative intent; to provide for reports; ~~and~~ to provide an exemption; to provide an effective
8 date; and to declare an emergency.

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

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
11 as may be necessary, are appropriated out of any moneys in the general fund in the state
12 treasury, not otherwise appropriated, and from special funds derived from federal funds and
13 other income, to the department of public instruction, the state library, the school for the deaf,
14 and North Dakota vision services - school for the blind for the purpose of defraying the
15 expenses of those agencies, for the biennium beginning July 1, 2023, and ending June 30,
16 2025, as follows:

17 Subdivision 1.

18 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>		<u>Appropriation</u>
21 Salaries and wages	\$17,854,747	\$1,459,112		\$19,313,859
22 Operating expenses	33,098,149	195,171		33,293,320
23 Integrated formula payments	2,131,825,000	316,826,200		2,448,651,200
24 Grants - special education	27,000,000	0		27,000,000

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1	Grants - transportation	58,100,000	0	58,100,000
2	Grants - other grants	312,738,893	70,000,000	382,738,893
3	Grants - program grants	0	13,780,000	13,780,000
4	Grants - passthrough grants	0	2,229,764	2,229,764
5	Grants - program and passthrough	10,387,064	(10,387,064)	0
6	PowerSchool	5,250,000	525,000	5,775,000
7	National board certification	176,290	0	176,290
8	Total all funds	\$2,596,430,143	\$394,628,183	\$2,991,058,326
9	Less estimated income	938,233,270	154,404,811	1,092,638,081
10	Total general fund	\$1,658,196,873	\$240,223,372	\$1,898,420,245
11	Full-time equivalent positions	86.25	0.00	86.25
12	Salaries and wages	\$17,854,747	\$702,569	\$18,557,316
13	Operating expenses	33,098,149	(304,829)	32,793,320
14	Integrated formula payments	2,131,825,000	339,743,255	2,471,568,255
15	Grants - special education	27,000,000	0	27,000,000
16	Grants - transportation	58,100,000	0	58,100,000
17	Grants - other grants	312,738,893	70,000,000	382,738,893
18	Grants - program grants	0	15,550,000	15,550,000
19	Grants - passthrough grants	0	16,989,000	16,989,000
20	Grants - program and passthrough	10,387,064	(10,387,064)	0
21	PowerSchool	5,250,000	525,000	5,775,000
22	National board certification	176,290	0	176,290
23	Total all funds	\$2,596,430,143	\$432,817,931	\$3,029,248,074
24	Less estimated income	938,233,270	180,436,476	1,118,669,746
25	Total general fund	\$1,658,196,873	\$252,381,455	\$1,910,578,328
26	Full-time equivalent positions	86.25	0.00	86.25
27	<u>Subdivision 2.</u>			
28	<u>CENTER FOR DISTANCE EDUCATION</u>			
29	<u>Adjustments or</u>			
30	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
31				

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1	Center for distance education	\$0	\$11,183,325	\$11,183,325
2	Total all funds	\$0	\$11,183,325	\$11,183,325
3	Less estimated income	0	4,550,000	4,550,000
4	Total general fund	\$0	\$6,633,325	\$6,633,325
5	Full-time equivalent positions	0.00	30.80	30.80

6 Subdivision 23.

7 STATE LIBRARY

8			Adjustments or	
9		Base Level	Enhancements	Appropriation
10	Salaries and wages	\$4,139,907	\$345,606	\$4,485,513
11	Operating expenses	1,822,703	415,770	2,238,473
12	Grants	2,233,528	50,000	2,283,528
13	Total all funds	\$8,196,138	\$811,376	\$9,007,514
14	Less estimated income	2,364,417	(221,410)	2,143,007
15	Total general fund	\$5,831,721	\$1,032,786	\$6,864,507
16	Salaries and wages	\$4,139,907	\$295,408	\$4,435,315
17	Operating expenses	1,822,703	752,595	2,575,298
18	Grants	2,233,528	50,000	2,283,528
19	Total all funds	\$8,196,138	\$1,098,003	\$9,294,141
20	Less estimated income	2,364,417	107,626	2,472,043
21	Total general fund	\$5,831,721	\$990,377	\$6,822,098
22	Full-time equivalent positions	26.75	0.00	26.75

23 Subdivision 34.

24 SCHOOL FOR THE DEAF

25			Adjustments or	
26		Base Level	Enhancements	Appropriation
27	Salaries and wages	\$8,332,820	\$855,432	\$9,188,252
28	Operating expenses	1,705,586	120,171	1,825,757
29	Capital assets	158,678	843,500	1,002,178
30	Total all funds	\$10,197,084	\$1,819,103	\$12,016,187
31	Less estimated income	2,790,528	887,693	3,678,221

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1	Total general fund	\$7,406,556	\$931,410	\$8,337,966
2	<u>Salaries and wages</u>	<u>\$8,332,820</u>	<u>\$604,780</u>	<u>\$8,937,600</u>
3	<u>Operating expenses</u>	<u>1,705,586</u>	<u>120,171</u>	<u>1,825,757</u>
4	<u>Capital assets</u>	<u>158,678</u>	<u>843,500</u>	<u>1,002,178</u>
5	<u>Total all funds</u>	<u>\$10,197,084</u>	<u>\$1,568,451</u>	<u>\$11,765,535</u>
6	<u>Less estimated income</u>	<u>2,790,528</u>	<u>875,163</u>	<u>3,665,691</u>
7	<u>Total general fund</u>	<u>\$7,406,556</u>	<u>\$693,288</u>	<u>\$8,099,844</u>

8	Full-time equivalent positions	44.61	0.75	45.36
9	Subdivision <u>45</u> .			

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>		<u>Appropriation</u>
13	Salaries and wages	\$4,992,194	\$445,666	\$5,437,860
14	Operating expenses	792,671	103,015	895,686
15	Capital assets	39,192	439,000	478,192
16	Total all funds	\$5,824,057	\$987,681	\$6,811,738
17	Less estimated income	1,062,178	602,245	1,664,423
18	Total general fund	\$4,761,879	\$385,436	\$5,147,315
19	<u>Salaries and wages</u>	<u>\$4,992,194</u>	<u>\$354,219</u>	<u>\$5,346,413</u>
20	<u>Operating expenses</u>	<u>792,671</u>	<u>103,015</u>	<u>895,686</u>
21	<u>Capital assets</u>	<u>39,192</u>	<u>439,000</u>	<u>478,192</u>
22	<u>Total all funds</u>	<u>\$5,824,057</u>	<u>\$896,234</u>	<u>\$6,720,291</u>
23	<u>Less estimated income</u>	<u>1,062,178</u>	<u>598,533</u>	<u>1,660,711</u>
24	<u>Total general fund</u>	<u>\$4,761,879</u>	<u>\$297,701</u>	<u>\$5,059,580</u>

25	Full-time equivalent positions	27.75	0.00	27.75
26	Subdivision <u>56</u> .			

TOTAL - SECTION 1

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>		<u>Appropriation</u>
30	Grand total general fund	\$1,676,197,029	\$242,573,004	\$1,918,770,033
31	Grand total special funds	944,450,393	155,673,339	1,100,123,732

1	Grand total all funds	\$2,620,647,422	\$398,246,343	\$3,018,893,765
2	Grand total general fund	\$1,676,197,029	\$260,996,146	\$1,937,193,175
3	Grand total special funds	944,450,393	186,567,798	1,131,018,191
4	Grand total all funds	\$2,620,647,422	\$447,563,944	\$3,068,211,366

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
10	Department of public instruction		
11	— Science experiments grant	\$13,500,000	\$0
12	— Regional education association grants	250,000	0
13	— State automated reporting system maintenance	200,000	0
14	— Children's science center	5,900,000	0
15	— State automated reporting system and	10,100,000	0
16	— statewide longitudinal data system upgrades		
17	— Elementary and secondary school emergency	305,266,879	0
18	— education relief		
19	— Emergency education relief homeless children	1,999,661	0
20	— and youth program		
21	— Assistance to nonpublic schools	4,151,371	0
22	— Individuals with disabilities education act grant	8,632,569	0
23	— Grow-your-own teacher program	0	3,000,000
24	— School board training grants	0	2,000,000
25	— Cybersecurity training for teachers	0	1,000,000
26	— Total department of public instruction	\$350,000,480	\$6,000,000
27	— all funds		
28	— Total department of public instruction	349,800,480	6,000,000
29	— estimated income		
30	— Total department of public instruction	\$200,000	\$0
31	— general fund		

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1	Department of public instruction		
2	Science experiments grants	\$13,500,000	\$9,900,000
3	Regional education association grants	250,000	70,000
4	State automated reporting system maintenance	200,000	0
5	Children's science center	5,900,000	0
6	Children's theatre and art park	0	2,500,000
7	State automated reporting system and	10,100,000	0
8	statewide longitudinal data system upgrades		
9	Elementary and secondary school emergency	305,266,879	0
10	education relief		
11	Emergency education relief homeless children	1,999,661	0
12	and youth program		
13	Assistance to nonpublic schools	4,151,371	0
14	Individuals with Disabilities Education Act grant	8,632,569	0
15	Grow-your-own teacher program	0	0
16	School board training grants	0	1,500,000
17	Cybersecurity training for teachers	0	0
18	Statewide reading tool	0	1,600,000
19	Statewide teacher retention program	0	4,300,000
20	Total department of public instruction -	\$350,000,480	\$19,870,000
21	all funds		
22	Total department of public instruction -	349,800,480	16,300,000
23	estimated income		
24	Total department of public instruction -	\$200,000	\$3,570,000
25	general fund		
26	State library		
27	COVID-19 salaries and wages	\$86,669	\$0
28	COVID-19 operating expenses	1,580,057	0
29	COVID-19 grants	500,000	0
30	Retirement leave payouts	0	40,000
31	Maintenance of effort	0	100,000

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1	IT equipment	0	43,000
2	Building renovations	<u>0</u>	<u>150,000</u>
3	Total state library - all funds	\$2,166,726	\$333,000
4	Total state library - estimated income	<u>2,166,726</u>	<u>0</u>
5	Total state library - general fund	\$0	\$333,000
6	School for the deaf		
7	Campus server upgrade	\$7,500	\$0
8	Operating expenses	21,500	0
9	Equipment	40,000	43,500
10	Boiler and resource center projects	650,000	0
11	Operating expense inflation	0	120,171
12	Boiler replacement	0	650,000
13	Fire alarm and controls	<u>0</u>	<u>150,000</u>
14	Total school for the deaf - all funds	\$719,000	\$963,671
15	Total school for the deaf - estimated income	<u>719,000</u>	<u>873,586</u>
16	Total school for the deaf - general fund	\$0	\$90,085
17	North Dakota vision services - school for the blind		
18	Vision screening devices	\$11,500	\$0
19	Replace flooring	10,000	0
20	Replace south wing air conditioning	40,000	0
21	Repair sidewalk, roof, and parking lot	24,000	0
22	Replace doors and key system	45,000	0
23	Heating, ventilation, and air conditioning upgrades	86,000	0
24	Install LED lighting	33,000	0
25	South wing electrical service	165,000	0
26	Equipment	0	26,000
27	Repairs and maintenance	<u>0</u>	<u>439,000</u>
28	Total school for the blind - estimated income	\$414,500	\$465,000
29	Grand total -- all funds	\$353,300,706	\$7,761,671
30	Grand total -- estimated income	353,100,706	7,338,586
31	Grand total -- general fund	\$200,000	\$423,085

1	<u>Grand total - all funds</u>	<u>\$353,300,706</u>	<u>\$21,631,671</u>
2	<u>Grand total - estimated income</u>	<u>353,100,706</u>	<u>17,638,586</u>
3	<u>Grand total - general fund</u>	<u>\$200,000</u>	<u>\$3,993,085</u>

4 The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
5 the 2025-27 biennium. The department of public instruction, state library, school for the deaf,
6 and North Dakota vision services - school for the blind shall report to the appropriations
7 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
8 biennium beginning July 1, 2023, and ending June 30, 2025.

9 **SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$510,860,000,
10 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
11 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
12 that becomes available for distribution to public schools is appropriated to the department of
13 public instruction for that purpose for the biennium beginning July 1, 2023, and ending June 30,
14 2025.

15 **SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The
16 estimated income line item in subdivision 1 of section 1 of this Act includes the sum of
17 ~~\$143,454,500~~\$157,000,000 from the foundation aid stabilization fund for integrated formula
18 payments.

19 **SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
20 **FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum
21 of \$8,900,000 from the strategic investment and improvements fund for certain passthrough
22 grants.

23 **SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
24 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
25 expend funds included in the integrated formula payments and grants - special education
26 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
27 services that were due in the 2021-23 biennium but which were not filed, claimed, or properly
28 supported by the education provider until after June 30, 2023. To be reimbursed under this
29 section, claims must be properly supported and filed with the superintendent of public
30 instruction by June 30, 2024.

1 **SECTION 7. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the
2 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
3 distributed to reimburse school districts or special education units for gifted and talented
4 programs upon the submission of an application that is approved in accordance with guidelines
5 adopted by the superintendent of public instruction. The superintendent of public instruction
6 shall encourage cooperative efforts for gifted and talented programs among school districts and
7 special education units.

8 **SECTION 8. MEDICAID MATCHING FUNDING AND SCHOOL APPROVAL -**
9 **WITHHOLDING AND DISTRIBUTION.**

- 10 1. State school aid payments for special education must be reduced by the amount of
11 matching funds required to be paid by school districts or special education units for
12 students participating in the Medicaid program for the biennium beginning July 1,
13 2023, and ending June 30, 2025. Special education funds equal to the amount of the
14 matching funds required to be paid by the school district or special education unit must
15 be paid by the superintendent of public instruction to the department of health and
16 human services on behalf of the school district or unit.
- 17 2. State school aid payments for integrated formula payments must be reduced by the
18 amount of funds required to be paid by school districts for school approval for the
19 biennium beginning July 1, 2023, and ending June 30, 2025.

20 **SECTION 9. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME**
21 **FUNDING - DISTRIBUTION.** The grants - program grants line item included in subdivision 1 of
22 section 1 of this Act includes \$70,000 from the general fund for the purpose of providing a
23 one-time \$35,000 grant to each regional education association that merges with another
24 regional education association to form a single entity with a single governing board during the
25 biennium beginning July 1, 2023, and ending June 30, 2025.

26 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

27 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
28 ~~\$700,000~~\$500,000 from the general fund for the purpose of providing annual grants to regional
29 education associations for the biennium beginning July 1, 2023, and ending June 30, 2025. An
30 annual grant of ~~\$50,000~~\$35,714 is provided to each regional education association that exists

1 as of July 1, 2023. Regional education associations that merge during the 2023-25 biennium
2 are entitled to the annual grants that would have been paid to each of the member associations.

3 ~~SECTION 11. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION -~~

4 ~~REPORTING. The grants - passthrough grants line item in subdivision 1 of section 1 of this Act~~
5 ~~includes \$2,229,764 for passthrough grants. The superintendent of public instruction shall~~
6 ~~determine the manner in which each passthrough grant is distributed but no more than one-half~~
7 ~~of the funding may be provided each year of the biennium. Annually grantees, as a condition of~~
8 ~~receiving the grant, must establish performance measures to be reviewed by the superintendent~~
9 ~~of public instruction. Grantees shall report annually to the superintendent of public instruction~~
10 ~~regarding performance based on the measures. The superintendent may not distribute the grant~~
11 ~~payment for the second year of the biennium until the grantee submits the annual report for the~~
12 ~~first year of the biennium. The superintendent of public instruction shall report to the~~
13 ~~appropriations committees of the sixty-ninth legislative assembly regarding funds granted,~~
14 ~~performance measures established for each grantee, and whether grantees met performance~~
15 ~~expectations.~~

16 **SECTION 11. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL**
17 **COMPENSATION INCREASES.**

- 18 1. During the 2023-25 biennium, the board of each school district shall use an amount
19 equal to at least seventy percent of all new money received by the district, resulting
20 from increases in the base integrated formula payment rate, to increase the
21 compensation paid to nonadministrative personnel. Additional funding made available
22 to school districts by reducing the local property tax contribution to the integrated
23 formula is not considered new money.
- 24 2. For purposes of this section, the superintendent of public instruction shall provide
25 guidance to school districts regarding the calculation of the amount of new money
26 resulting from increases in the base integrated formula payment rate during the
27 2023-25 biennium.

28 **SECTION 12. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**
29 **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

30 Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect
31 cost recoveries in its operating account. In addition, any moneys collected by the department of

1 public instruction for general educational development fees and displaced homemakers
2 deposits must be deposited in the public instruction fund in the state treasury. Any funds
3 deposited in the public instruction fund may only be spent subject to appropriation by the
4 legislative assembly.

5 **SECTION 13. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**
6 **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public
7 instruction complies with all statutory payment obligations imposed for the 2021-23 biennium,
8 from any moneys remaining in the integrated formula payments line item in subdivision 1 of
9 section 1 of chapter 13 of the 2021 Session Laws, the lesser of ~~\$16,009,764~~ \$20,069,000 or the
10 remaining amount must be continued into the 2023-25 biennium and the office of management
11 and budget shall transfer this amount into the public instruction fund for the purpose of providing
12 program and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
13 superintendent of public instruction shall transfer any these funds remaining unspent at the end
14 of the 2023-25 biennium to the general fund.

15 **SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
16 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
17 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 18 1. Any funds remaining from federal funds derived from the elementary and secondary
19 school emergency education relief fund and any other federal funds appropriated in
20 subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 21 2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of
22 chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the
23 2021 Special Session Session Laws.

24 **SECTION 15. EXEMPTION - UNEXPENDED STATE AUTOMATED REPORTING**
25 **SYSTEM AND STATEWIDE LONGITUDINAL DATA SYSTEM UPGRADE APPROPRIATION.**
26 The sum of \$10,000,000 of special funds from the public instruction fund in the state treasury,
27 derived from reimbursements withheld from school districts' integrated formula payments for the
28 purpose of information technology project upgrades to the state automated reporting system
29 and the statewide longitudinal data system, appropriated to the department of public instruction
30 in section 17 of chapter 549 of the 2021 Special Session Session Laws, is not subject to the
31 provisions of section 54-44.1-11 and any unexpended funds from this one-time appropriation

1 may be continued and are available for information technology project upgrades to the state
2 automated reporting system and the statewide longitudinal data system during the biennium
3 beginning July 1, 2023, and ending June 30, 2025. The department of public instruction shall
4 transfer any funds continued in excess of \$5,000,000 to the information technology department
5 for statewide longitudinal data system upgrades.

6 **SECTION 16. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 23
7 of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
8 one-half may be expended during the fiscal year ending June 30, 2024.

9 **SECTION 17. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15.1-02-02. Salary.**

12 The annual salary of the superintendent of public instruction is one hundred ~~twenty-seven-~~
13 ~~thousand seven hundred sixty-eight~~thirty-five thousand five hundred thirty-six~~thirty-eight~~
14 thousand one hundred forty-two dollars through June 30, ~~2022~~2024, and one hundred ~~thirty-~~
15 ~~thousand three hundred twenty-three~~forty thousand nine hundred fifty-seven~~forty-three~~
16 thousand six hundred sixty-eight dollars thereafter.

17 **SECTION 18. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**
20 **through June 30, 2025)**

- 21 1. To determine the amount of state aid payable to each district, the superintendent of
22 public instruction shall establish each district's baseline funding. A district's baseline
23 funding consists of:
- 24 a. All state aid received by the district in accordance with chapter 15.1-27 during the
25 2018-19 school year;
 - 26 b. An amount equal to the property tax deducted by the superintendent of public
27 instruction to determine the 2018-19 state aid payment;
 - 28 c. An amount equal to seventy-five percent of the revenue received by the school
29 district during the 2017-18 school year for the following revenue types:

- 1 (1) Revenue reported under code 2000 of the North Dakota school district
2 financial accounting and reporting manual, as developed by the
3 superintendent of public instruction in accordance with section 15.1-02-08;
- 4 (2) Mineral revenue received by the school district through direct allocation from
5 the state treasurer and not reported under code 2000 of the North Dakota
6 school district financial accounting and reporting manual, as developed by
7 the superintendent of public instruction in accordance with section
8 15.1-02-08;
- 9 (3) Tuition reported under code 1300 of the North Dakota school district
10 financial accounting and reporting manual, as developed by the
11 superintendent of public instruction in accordance with section 15.1-02-08,
12 with the exception of revenue received specifically for the operation of an
13 educational program provided at a residential treatment facility, tuition
14 received for the provision of an adult farm management program, and
15 beginning in the 2021-22 school year, seventeen percent of tuition received
16 under an agreement to educate students from a school district on an
17 air force base with funding received through federal impact aid, and an
18 additional seventeen percent of tuition received under an agreement to
19 educate students from a school district on an air force base with funding
20 received through federal impact aid each school year thereafter, until the
21 2024-25 school year when sixty-eight percent of tuition received under an
22 agreement to educate students from a school district on an air force base
23 with funding received through federal impact aid must be excluded from the
24 tuition calculation under this paragraph;
- 25 (4) Revenue from payments in lieu of taxes on the distribution and transmission
26 of electric power;
- 27 (5) Revenue from payments in lieu of taxes on electricity generated from
28 sources other than coal; and
- 29 (6) Revenue from the leasing of land acquired by the United States for which
30 compensation is allocated to the state under 33 U.S.C. 701(c)(3);

- 1 d. An amount equal to the total revenue received by the school district during the
2 2017-18 school year for the following revenue types:
- 3 (1) Mobile home tax revenue;
- 4 (2) Telecommunications tax revenue; and
- 5 (3) Revenue from payments in lieu of taxes and state reimbursement of the
6 homestead credit and disabled veterans credit; and
- 7 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
8 baseline funding for any school district that becomes an elementary district
9 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
10 be proportional to the number of weighted student units in the grades that are
11 offered through another school district relative to the total number of weighted
12 student units the school district offered in the year before the school district
13 became an elementary district. The reduced baseline funding applies to the
14 calculation of state aid for the first school year in which the school district
15 becomes an elementary district and for each year thereafter. For districts that
16 become an elementary district prior to the 2020-21 school year, the
17 superintendent shall use the reduced baseline funding to calculate state aid for
18 the 2020-21 school year and for each year thereafter.
- 19 2. a. The superintendent shall divide the district's baseline funding determined in
20 subsection 1 by the district's 2017-18 weighted student units to determine the
21 district's baseline funding per weighted student unit.
- 22 b. For any school district that becomes an elementary district pursuant to section
23 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
24 district's baseline funding per weighted student unit used to calculate state aid.
25 The superintendent shall divide the district's baseline funding determined in
26 subsection 1 by the district's weighted student units after the school district
27 becomes an elementary district to determine the district's adjusted baseline
28 funding per weighted student unit. The superintendent shall use the district's
29 adjusted baseline funding per weighted student unit in the calculation of state aid
30 for the first school year in which the school district becomes an elementary
31 district and for each year thereafter.

1 c. Beginning with the 2021-22 school year and for each school year thereafter, the
2 superintendent shall reduce the district's baseline funding per weighted student
3 unit. Each year the superintendent shall calculate the amount by which the
4 district's baseline funding per weighted student unit exceeds the payment per
5 weighted student unit provided in subsection 3. The superintendent shall reduce
6 the district's baseline funding per weighted student unit by fifteen percent of the
7 amount by which the district's baseline funding per weighted student unit exceeds
8 the payment per weighted student unit for the 2021-22 school year. For each
9 year thereafter, the reduction percentage is increased by an additional fifteen
10 percent. However, the district's baseline funding per weighted student unit, after
11 the reduction, may not be less than the payment per weighted student unit
12 provided in subsection 3.

13 3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
14 greater of:

15 (1) The district's weighted student units multiplied by ten thousand one hundred
16 thirty-six dollars;

17 (2) One hundred two percent of the district's baseline funding per weighted
18 student unit, as established in subsection 2, multiplied by the district's
19 weighted student units, not to exceed the district's 2017-18 baseline
20 weighted student units, plus any weighted student units in excess of the
21 2017-18 baseline weighted student units multiplied by ten thousand
22 one hundred thirty-six dollars; or

23 (3) The district's baseline funding as established in subsection 1 less the
24 amount in paragraph 1, with the difference reduced by fifteen percent and
25 then the difference added to the amount determined in paragraph 1.

26 b. For the 2022-23 school year and each school year thereafter, the superintendent
27 shall calculate state aid as the greater of:

28 (1) The district's weighted student units multiplied by ten thousand two hundred
29 thirty-seven dollars;

30 (2) One hundred two percent of the district's baseline funding per weighted
31 student unit, as established in subsection 2, multiplied by the district's

1 weighted student units, not to exceed the district's 2017-18 baseline
2 weighted student units, plus any weighted student units in excess of the
3 2017-18 baseline weighted student units multiplied by ten thousand
4 two hundred thirty-seven dollars; or

5 (3) The district's baseline funding as established in subsection 1 less the
6 amount in paragraph 1, with the difference reduced by thirty percent for the
7 2022-23 school year and the reduction percentage increasing by fifteen
8 percent each school year thereafter until the difference is reduced to zero,
9 and then the difference added to the amount determined in paragraph 1.

10 c. The superintendent also shall adjust state aid determined in this subsection to
11 ensure the amount does not exceed the transition maximum as follows:

12 (1) For the 2021-22 school year, the transition maximum rate is one hundred
13 ten percent of the district's baseline funding per weighted student unit, as
14 established in subsection 2, multiplied by the district's weighted student
15 units from the previous school year.

16 (2) For the 2022-23 school year, the transition maximum rate is one hundred
17 ten percent of the district's baseline funding per weighted student unit, as
18 established in subsection 2, multiplied by the district's weighted student
19 units from the previous school year.

20 (3) For the 2023-24 school year, the transition maximum rate is one hundred
21 ten percent of the district's baseline funding per weighted student unit, as
22 established in subsection 2, plus twenty percent of the difference between
23 the rate under paragraph 1 of subdivision b of this subsection and
24 one hundred ten percent of the district's baseline funding per weighted
25 student unit. The transition maximum is determined by multiplying the
26 transition maximum rate, which may not exceed the rate under paragraph 1
27 of subdivision b of this subsection, by the district's weighted student units
28 from the previous school year.

29 (4) For the 2024-25 school year, the transition maximum rate is one hundred
30 ten percent of the district's baseline funding per weighted student unit, as
31 established in subsection 2, plus forty percent of the difference between the

1 rate under paragraph 1 of subdivision b of this subsection and one hundred
2 ten percent of the district's baseline funding per weighted student unit. The
3 transition maximum is determined by multiplying the transition maximum
4 rate, which may not exceed the rate under paragraph 1 of subdivision b of
5 this subsection, by the district's weighted student units from the previous
6 school year.

7 (5) For the 2025-26 school year, the transition maximum rate is one hundred
8 ten percent of the district's baseline funding per weighted student unit, as
9 established in subsection 2, plus sixty percent of the difference between the
10 rate under paragraph 1 of subdivision b of this subsection and one hundred
11 ten percent of the district's baseline funding per weighted student unit. The
12 transition maximum is determined by multiplying the transition maximum
13 rate, which may not exceed the rate under paragraph 1 of subdivision b of
14 this subsection, by the district's weighted student units from the previous
15 school year.

16 (6) For the 2026-27 school year, the transition maximum rate is one hundred
17 ten percent of the district's baseline funding per weighted student unit, as
18 established in subsection 2, plus eighty percent of the difference between
19 the rate under paragraph 1 of subdivision b of this subsection and
20 one hundred ten percent of the district's baseline funding per weighted
21 student unit. The transition maximum is determined by multiplying the
22 transition maximum rate, which may not exceed the rate under paragraph 1
23 of subdivision b of this subsection, by the district's weighted student units
24 from the previous school year.

25 4. After determining the product in accordance with subsection 3, the superintendent of
26 public instruction shall:

27 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
28 school district, except the amount in dollars subtracted for purposes of this
29 subdivision may not exceed the previous year's amount in dollars subtracted for
30 purposes of this subdivision by more than twelve percent, adjusted pursuant to
31 section 15.1-27-04.3; and

1 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
2 subdivisions c and d of subsection 1. Before determining the deduction for
3 seventy-five percent of all revenue types, the superintendent of public instruction
4 shall adjust revenues as follows:

5 (1) Tuition revenue shall be adjusted as follows:

6 (a) In addition to deducting tuition revenue received specifically for the
7 operation of an educational program provided at a residential
8 treatment facility, tuition revenue received for the provision of an adult
9 farm management program, tuition received for the education of
10 high-cost and special education students, and tuition received under
11 an agreement to educate students from a school district on an air
12 force base with funding received through federal impact aid as
13 directed each school year in paragraph 3 of subdivision c of
14 subsection 1, the superintendent of public instruction also shall reduce
15 the total tuition reported by the school district by the amount of tuition
16 revenue received for the education of students not residing in the
17 state and for which the state has not entered a cross-border education
18 contract; and

19 (b) The superintendent of public instruction also shall reduce the total
20 tuition reported by admitting school districts meeting the requirements
21 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
22 of tuition revenue received for the education of students residing in an
23 adjacent school district.

24 (2) After adjusting tuition revenue as provided in paragraph 1, the
25 superintendent shall reduce all remaining revenues from all revenue types
26 by the percentage of mills levied in 2020 by the school district for sinking
27 and interest relative to the total mills levied in 2020 by the school district for
28 all purposes.

29 5. The amount remaining after the computation required under subsection 4 is the
30 amount of state aid to which a school district is entitled, subject to any other statutory
31 requirements or limitations.

1 6. On or before June thirtieth of each year, the school board shall certify to the
2 superintendent of public instruction the final average daily membership for the current
3 school year.

4 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
5 with the school districts, shall report the following to the superintendent of public
6 instruction on an annual basis:

7 a. The amount of revenue received by each school district in the county during the
8 previous school year for each type of revenue identified in subdivisions c and d of
9 subsection 1;

10 b. The total number of mills levied in the previous calendar year by each school
11 district for all purposes; and

12 c. The number of mills levied in the previous calendar year by each school district
13 for sinking and interest fund purposes.

14 **Baseline funding - Establishment - Determination of state aid. (Effective after**
15 **June 30, 2025)**

16 1. To determine the amount of state aid payable to each district, the superintendent of
17 public instruction shall establish each district's baseline funding. A district's baseline
18 funding consists of:

19 a. All state aid received by the district in accordance with chapter 15.1-27 during the
20 2018-19 school year;

21 b. An amount equal to the property tax deducted by the superintendent of public
22 instruction to determine the 2018-19 state aid payment;

23 c. An amount equal to seventy-five percent of the revenue received by the school
24 district during the 2017-18 school year for the following revenue types:

25 (1) Revenue reported under code 2000 of the North Dakota school district
26 financial accounting and reporting manual, as developed by the
27 superintendent of public instruction in accordance with section 15.1-02-08;

28 (2) Mineral revenue received by the school district through direct allocation from
29 the state treasurer and not reported under code 2000 of the North Dakota
30 school district financial accounting and reporting manual, as developed by

1 the superintendent of public instruction in accordance with section
2 15.1-02-08;

3 (3) Tuition reported under code 1300 of the North Dakota school district
4 financial accounting and reporting manual, as developed by the
5 superintendent of public instruction in accordance with section 15.1-02-08,
6 with the exception of revenue received specifically for the operation of an
7 educational program provided at a residential treatment facility, tuition
8 received for the provision of an adult farm management program, and
9 beginning in the 2025-26 school year, eighty-five percent of tuition received
10 under an agreement to educate students from a school district on an
11 air force base with funding received through federal impact aid, until the
12 2026-27 school year, and each school year thereafter, when all tuition
13 received under an agreement to educate students from a school district on
14 an air force base with funding received through federal impact aid must be
15 excluded from the tuition calculation under this paragraph;

16 (4) Revenue from payments in lieu of taxes on the distribution and transmission
17 of electric power;

18 (5) Revenue from payments in lieu of taxes on electricity generated from
19 sources other than coal; and

20 (6) Revenue from the leasing of land acquired by the United States for which
21 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

22 d. An amount equal to the total revenue received by the school district during the
23 2017-18 school year for the following revenue types:

24 (1) Mobile home tax revenue;

25 (2) Telecommunications tax revenue; and

26 (3) Revenue from payments in lieu of taxes and state reimbursement of the
27 homestead credit and disabled veterans credit.

28 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
29 baseline funding for any school district that becomes an elementary district
30 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
31 be proportional to the number of weighted student units in the grades that are

1 offered through another school district relative to the total number of weighted
2 student units the school district offered in the year before the school district
3 became an elementary district. The reduced baseline funding applies to the
4 calculation of state aid for the first school year in which the school district
5 becomes an elementary district and for each year thereafter. For districts that
6 become an elementary district prior to the 2020-21 school year, the
7 superintendent shall use the reduced baseline funding to calculate state aid for
8 the 2020-21 school year and for each year thereafter.

- 9 2. a. The superintendent shall divide the district's baseline funding determined in
10 subsection 1 by the district's 2017-18 weighted student units to determine the
11 district's baseline funding per weighted student unit.
- 12 b. For any school district that becomes an elementary district pursuant to section
13 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
14 district's baseline funding per weighted student unit used to calculate state aid.
15 The superintendent shall divide the district's baseline funding determined in
16 subsection 1 by the district's weighted student units after the school district
17 becomes an elementary district to determine the district's adjusted baseline
18 funding per weighted student unit. The superintendent shall use the district's
19 adjusted baseline funding per weighted student unit in the calculation of state aid
20 for the first school year in which the school district becomes an elementary
21 district and for each year thereafter.
- 22 c. Beginning with the 2021-22 school year and for each school year thereafter, the
23 superintendent shall reduce the district's baseline funding per weighted student
24 unit. Each year the superintendent shall calculate the amount by which the
25 district's baseline funding per weighted student unit exceeds the payment per
26 weighted student unit provided in subsection 3. The superintendent shall reduce
27 the district's baseline funding per weighted student unit by fifteen percent of the
28 amount by which the district's baseline funding per weighted student unit exceeds
29 the payment per weighted student unit for the 2021-22 school year. For each
30 year thereafter, the reduction percentage is increased by an additional fifteen
31 percent. However, the district's baseline funding per weighted student unit, after

- 1 the reduction, may not be less than the payment per weighted student unit
2 provided in subsection 3.
- 3 3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
4 greater of:
- 5 (1) The district's weighted student units multiplied by ten thousand one hundred
6 thirty-six dollars;
- 7 (2) One hundred two percent of the district's baseline funding per weighted
8 student unit, as established in subsection 2, multiplied by the district's
9 weighted student units, not to exceed the district's 2017-18 baseline
10 weighted student units, plus any weighted student units in excess of the
11 2017-18 baseline weighted student units multiplied by ten thousand
12 one hundred thirty-six dollars; or
- 13 (3) The district's baseline funding as established in subsection 1 less the
14 amount in paragraph 1, with the difference reduced by fifteen percent and
15 then the difference added to the amount determined in paragraph 1.
- 16 b. For the 2022-23 school year and each school year thereafter, the superintendent
17 shall calculate state aid as the greater of:
- 18 (1) The district's weighted student units multiplied by ten thousand two hundred
19 thirty-seven dollars;
- 20 (2) One hundred two percent of the district's baseline funding per weighted
21 student unit, as established in subsection 2, multiplied by the district's
22 weighted student units, not to exceed the district's 2017-18 baseline
23 weighted student units, plus any weighted student units in excess of the
24 2017-18 baseline weighted student units multiplied by ten thousand
25 two hundred thirty-seven dollars; or
- 26 (3) The district's baseline funding as established in subsection 1 less the
27 amount in paragraph 1, with the difference reduced by thirty percent for the
28 2022-23 school year and the reduction percentage increasing by fifteen
29 percent each school year thereafter until the difference is reduced to zero,
30 and then the difference added to the amount determined in paragraph 1.

- 1 c. The superintendent also shall adjust state aid determined in this subsection to
2 ensure the amount does not exceed the transition maximum as follows:
- 3 (1) For the 2021-22 school year, the transition maximum rate is one hundred
4 ten percent of the district's baseline funding per weighted student unit, as
5 established in subsection 2, multiplied by the district's weighted student
6 units from the previous school year.
- 7 (2) For the 2022-23 school year, the transition maximum rate is one hundred
8 ten percent of the district's baseline funding per weighted student unit, as
9 established in subsection 2, multiplied by the district's weighted student
10 units from the previous school year.
- 11 (3) For the 2023-24 school year, the transition maximum rate is one hundred
12 ten percent of the district's baseline funding per weighted student unit, as
13 established in subsection 2, plus twenty percent of the difference between
14 the rate under paragraph 1 of subdivision b of this subsection and
15 one hundred ten percent of the district's baseline funding per weighted
16 student unit. The transition maximum is determined by multiplying the
17 transition maximum rate, which may not exceed the rate under paragraph 1
18 of subdivision b of this subsection, by the district's weighted student units
19 from the previous school year.
- 20 (4) For the 2024-25 school year, the transition maximum rate is one hundred
21 ten percent of the district's baseline funding per weighted student unit, as
22 established in subsection 2, plus forty percent of the difference between the
23 rate under paragraph 1 of subdivision b of this subsection and one hundred
24 ten percent of the district's baseline funding per weighted student unit. The
25 transition maximum is determined by multiplying the transition maximum
26 rate, which may not exceed the rate under paragraph 1 of subdivision b of
27 this subsection, by the district's weighted student units from the previous
28 school year.
- 29 (5) For the 2025-26 school year, the transition maximum rate is one hundred
30 ten percent of the district's baseline funding per weighted student unit, as
31 established in subsection 2, plus sixty percent of the difference between the

1 rate under paragraph 1 of subdivision b of this subsection and one hundred
2 ten percent of the district's baseline funding per weighted student unit. The
3 transition maximum is determined by multiplying the transition maximum
4 rate, which may not exceed the rate under paragraph 1 of subdivision b of
5 this subsection, by the district's weighted student units from the previous
6 school year.

7 (6) For the 2026-27 school year, the transition maximum rate is one hundred
8 ten percent of the district's baseline funding per weighted student unit, as
9 established in subsection 2, plus eighty percent of the difference between
10 the rate under paragraph 1 of subdivision b of this subsection and
11 one hundred ten percent of the district's baseline funding per weighted
12 student unit. The transition maximum is determined by multiplying the
13 transition maximum rate, which may not exceed the rate under paragraph 1
14 of subdivision b of this subsection, by the district's weighted student units
15 from the previous school year.

16 4. After determining the product in accordance with subsection 3, the superintendent of
17 public instruction shall:

- 18 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
19 school district; and
20 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
21 subdivisions c and d of subsection 1. Before determining the deduction for
22 seventy-five percent of all revenue types, the superintendent of public instruction
23 shall adjust revenues as follows:

24 (1) Tuition revenue shall be adjusted as follows:

- 25 (a) In addition to deducting tuition revenue received specifically for the
26 operation of an educational program provided at a residential
27 treatment facility, tuition revenue received for the provision of an adult
28 farm management program, tuition received for the education of
29 high-cost and special education students, and tuition received under
30 an agreement to educate students from a school district on an air
31 force base with funding received through federal impact aid as

1 directed each school year in paragraph 3 of subdivision c of
2 subsection 1, the superintendent of public instruction also shall reduce
3 the total tuition reported by the school district by the amount of tuition
4 revenue received for the education of students not residing in the
5 state and for which the state has not entered a cross-border education
6 contract; and

7 (b) The superintendent of public instruction also shall reduce the total
8 tuition reported by admitting school districts meeting the requirements
9 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
10 of tuition revenue received for the education of students residing in an
11 adjacent school district.

12 (2) After adjusting tuition revenue as provided in paragraph 1, the
13 superintendent shall reduce all remaining revenues from all revenue types
14 by the percentage of mills levied in 2020 by the school district for sinking
15 and interest relative to the total mills levied in 2020 by the school district for
16 all purposes.

17 5. The amount remaining after the computation required under subsection 4 is the
18 amount of state aid to which a school district is entitled, subject to any other statutory
19 requirements or limitations.

20 6. On or before June thirtieth of each year, the school board shall certify to the
21 superintendent of public instruction the final average daily membership for the current
22 school year.

23 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
24 with the school districts, shall report the following to the superintendent of public
25 instruction on an annual basis:

26 a. The amount of revenue received by each school district in the county during the
27 previous school year for each type of revenue identified in subdivisions c and d of
28 subsection 1;

29 b. The total number of mills levied in the previous calendar year by each school
30 district for all purposes; and

- 1 c. The number of mills levied in the previous calendar year by each school district
2 for sinking and interest fund purposes.

3 **SECTION 19. AMENDMENT.** Section 15.1-32-01 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **15.1-32-01. Definitions.**

6 As used in this chapter:

7 1. "Major life activities" include learning, walking, talking, breathing, and caring for
8 oneself.

9 2. "Related services" means transportation and developmental and corrective or
10 supportive services required to assist a student with disabilities to benefit from special
11 education.

12 ~~2.3.~~ "Special education" means instruction designed to meet the needs of a student with
13 disabilities, transportation, and corrective and supporting services required to assist a
14 student with disabilities in taking advantage of, or responding to, educational programs
15 and opportunities.

16 ~~3.4.~~ "Student who is gifted" means an individual who is identified by qualified professionals
17 as being capable of high performance and who needs educational programs and
18 services beyond those normally provided in a regular education program.

19 ~~4.5.~~ a. "Student with a disability" means an individual who is at least three years of age
20 but who has not reached the age of twenty-one before August first of the year in
21 which the individual turns twenty-one and who requires special education and
22 related services because of:

- 23 (1) An intellectual disability;
24 (2) A hearing impairment, including deafness;
25 (3) Deaf-blindness;
26 (4) A speech or language impairment;
27 (5) A visual impairment, including blindness;
28 (6) An emotional disturbance;
29 (7) An orthopedic impairment;
30 (8) Autism;
31 (9) A traumatic brain injury;

1 (10) Other health impairment; or

2 (11) A specific learning disability.

3 b. "Student with a disability" includes a student age eighteen through twenty-one
4 who is incarcerated in an adult correctional facility and who, in the last
5 educational placement prior to incarceration, was identified as being a student
6 with a disability and did not have an individualized education program or was
7 identified as being a student with a disability and had an individualized education
8 program.

9 6. "Student with a significant medical condition" means a student with a physical or
10 mental impairment, whether permanent or temporary, which substantially limits one or
11 more major life activities and who is not entitled to special education and related
12 services.

13 **SECTION 20. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15.1-32-14. ~~Special education students – Contracts for placement~~High-cost students.**

16 1. If in the opinion of an individualized education program team or a services plan team a
17 student with a disability or a student with a significant medical condition is unable to
18 attend a public school in ~~the special education unit to which~~ the student's school
19 district of residence ~~belongs~~, the student's school district of residence shall
20 contractrelease the student at the time deemed necessary to begin attendance with
21 another public school that:

22 a. ~~Does not belong to the same special education unit;~~

23 ~~b.~~ Is located in this state;

24 ~~e.b.~~ Is willing to admit the student; and

25 ~~d.c.~~ Is able to provide appropriate services to the student.

26 2. ~~The superintendent of public instruction shall approve in advance the terms of the~~
27 ~~contract and the services to be provided by the admitting school.~~

28 ~~3.~~ The contract must provide that the student's school district of residence is liable for the
29 cost of educating the student.

30 4.3. Upon being notified by the district in which the student receives services that the
31 student's school district of residence has not paid for services that were provided to

1 the student, the superintendent of public instruction, after verification, shall withhold all
2 state aid payments to which the student's school district of residence is entitled, until
3 the required payments have been made.

4 **SECTION 21. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15.1-32-18. Cost - Liability of school district for special education and other high-cost**
7 **services.**

- 8 1. Each year the superintendent of public instruction shall identify the approximately one
9 percent of ~~special education~~ students with a disability and students with a significant
10 medical condition statewide who are not eligible for cost reimbursement under section
11 15.1-29-14 and who require the greatest school district expenditures ~~in order~~ to
12 provide them with education and services, including special education and related
13 services. This percentage represents the number of students that would qualify for
14 excess cost reimbursement beyond the multiplier that is established in subsection 3.
- 15 2. The excess costs of providing ~~special education and related~~ services to these students
16 are the responsibility of the state and the superintendent of public instruction shall
17 reimburse the school districts for any excess costs incurred in the provision of ~~special~~
18 ~~education and related~~ the services to the identified students.
- 19 3. "Excess costs" are those that exceed four times the state average cost of education
20 per student and which are incurred by the ~~special education~~ students identified in
21 subsection 1.
- 22 4. All costs of providing ~~special education and related~~ services to those students
23 identified in subsection 1, other than excess costs reimbursed by the state, are the
24 responsibility of the student's school district of residence.
- 25 5. In addition to any other reimbursements provided under this section, if a school district
26 expends more than two percent of its annual budget for the provision of ~~special~~
27 ~~education and related~~ services to one student with a disability or significant medical
28 condition, the district shall notify the superintendent of public instruction. Upon
29 verification, the superintendent shall reimburse the district for the difference between:
30 a. Two percent of the district's annual budget; and
31 b. The lesser of:

- 1 (1) The amount actually expended by the district for the provision of special
2 education and related services to that student; or
- 3 (2) The amount representing four times the state average cost of education per
4 student.

5 **SECTION 22. AMENDMENT.** Section 54-24.3-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-24.3-01. Definitions.**

8 In this chapter, unless the context otherwise requires:

- 9 1. "Academic library" means a library that is part of a college or university that is publicly
10 or privately funded and whose primary role is to provide resources to enrich and
11 support the school's curricula and the research needs of students and faculty.
- 12 2. "Library resource center" means a central service unit, whose location is to be agreed
13 upon by members of the regional library cooperative and which is responsible for
14 extending special services to support members of the regional library cooperative,
15 while meeting all cooperative standards.
- 16 3. "Multitype library authority" means a geographic subdivision within which multitype
17 libraries are organized for the purpose of providing library and information services
18 through cooperation and mutual support.
- 19 4. "Participant library" means any library agreeing to join a regional library cooperative.
- 20 5. "Public library" means a library that is supported with funds derived from taxation and
21 which maintains a balanced collection of materials to serve the lifelong information,
22 reading, and recreational needs of the general population. For purposes of this
23 chapter, "public library" includes tribal libraries.
- 24 6. "Regional library cooperative" means an organization of one or more types of library
25 organized under Article VI of section 54-24.1-01, or a multitype library authority.
- 26 7. "School library media center" means a learning center operated as part of a publicly or
27 privately supported school or school district and whose role is to provide instruction,
28 cooperatively design learning strategies, and provide resources that support and
29 enrich the curriculum, following the North Dakota school library media guidelines.

1 8. "Special library" means a public or private sector library whose collection is specialized
2 and limited in scope and size and whose role is to provide information to a limited
3 clientele.

4 **SECTION 23. LEGISLATIVE INTENT - AMENDMENTS TO THE STATE SCHOOL AID**
5 **INTEGRATED FUNDING FORMULA.** It is the intent of the sixty-eighth legislative assembly that
6 the sixty-ninth legislative assembly consider amendments to the state school aid integrated
7 funding formula only in the appropriation bill for the department of public instruction.

8 **SECTION 24. EFFECTIVE DATE.** Senate Bill No. 2269, as approved by the sixty-eighth
9 legislative assembly, becomes effective July 1, 2023. Sections 3, 4, and 7 of Senate Bill No.
10 2050, as approved by the sixty-eighth legislative assembly, become effective May 15, 2023.

11 **SECTION 25. EMERGENCY.** Sections 3, 4, and 7, of Senate Bill No. 2050 and Senate Bill
12 No. 2269, as approved by the sixty-eighth legislative assembly, are declared to be an
13 emergency measure.