

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

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

Subdivision 23.

STATE LIBRARY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
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

Subdivision 34.

SCHOOL FOR THE DEAF

25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
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	<del>Total general fund</del>	<del>\$7,406,556</del>	<del>\$931,410</del>	<del>\$8,337,966</del>
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 <del>45</del> .			

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

11		Adjustments or		
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	<del>Salaries and wages</del>	<del>\$4,992,194</del>	<del>\$445,666</del>	<del>\$5,437,860</del>
14	<del>Operating expenses</del>	<del>792,671</del>	<del>103,015</del>	<del>895,686</del>
15	<del>Capital assets</del>	<del>39,192</del>	<del>439,000</del>	<del>478,192</del>
16	<del>Total all funds</del>	<del>\$5,824,057</del>	<del>\$987,681</del>	<del>\$6,811,738</del>
17	<del>Less estimated income</del>	<del>1,062,178</del>	<del>602,245</del>	<del>1,664,423</del>
18	<del>Total general fund</del>	<del>\$4,761,879</del>	<del>\$385,436</del>	<del>\$5,147,315</del>
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 <del>56</del> .			

TOTAL - SECTION 1

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

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

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

6 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
7 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the  
8 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	<del>Department of public instruction</del>		
11	<del>— Science experiments grant</del>	<del>\$13,500,000</del>	<del>\$0</del>
12	<del>— Regional education association grants</del>	<del>250,000</del>	<del>0</del>
13	<del>— State automated reporting system maintenance</del>	<del>200,000</del>	<del>0</del>
14	<del>— Children's science center</del>	<del>5,900,000</del>	<del>0</del>
15	<del>— State automated reporting system and</del>	<del>10,100,000</del>	<del>0</del>
16	<del>— statewide longitudinal data system upgrades</del>		
17	<del>— Elementary and secondary school emergency</del>	<del>305,266,879</del>	<del>0</del>
18	<del>— education relief</del>		
19	<del>— Emergency education relief homeless children</del>	<del>1,999,661</del>	<del>0</del>
20	<del>— and youth program</del>		
21	<del>— Assistance to nonpublic schools</del>	<del>4,151,371</del>	<del>0</del>
22	<del>— Individuals with disabilities education act grant</del>	<del>8,632,569</del>	<del>0</del>
23	<del>— Grow your own teacher program</del>	<del>0</del>	<del>3,000,000</del>
24	<del>— School board training grants</del>	<del>0</del>	<del>2,000,000</del>
25	<del>— Cybersecurity training for teachers</del>	<del>0</del>	<del>1,000,000</del>
26	<del>— Total department of public instruction</del>	<del>\$350,000,480</del>	<del>\$6,000,000</del>
27	<del>— all funds</del>		
28	<del>— Total department of public instruction</del>	<del>349,800,480</del>	<del>6,000,000</del>
29	<del>— estimated income</del>		
30	<del>— Total department of public instruction</del>	<del>\$200,000</del>	<del>\$0</del>
31	<del>— general fund</del>		

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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	<del>Grand total - all funds</del>	<del>\$353,300,706</del>	<del>\$7,761,671</del>
30	<del>Grand total - estimated income</del>	<del>353,100,706</del>	<del>7,338,586</del>
31	<del>Grand total - general fund</del>	<del>\$200,000</del>	<del>\$423,085</del>

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 4 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

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

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

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

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

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

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

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

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

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

- 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

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

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

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

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

a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to 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.

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

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

- a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
- b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
- c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

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

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
    - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by

- 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.

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

- (1) For the 2021-22 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
- (2) For the 2022-23 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
- (3) For the 2023-24 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus twenty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
- (4) For the 2024-25 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus forty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
- (5) For the 2025-26 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as 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

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

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

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

As used in this chapter:

1. "Major life activities" include learning, walking, talking, breathing, and caring for oneself.
2. "Related services" means transportation and developmental and corrective or supportive services required to assist a student with disabilities to benefit from special education.
- ~~2-3.~~ "Special education" means instruction designed to meet the needs of a student with disabilities, transportation, and corrective and supporting services required to assist a student with disabilities in taking advantage of, or responding to, educational programs and opportunities.
- ~~3-4.~~ "Student who is gifted" means an individual who is identified by qualified professionals as being capable of high performance and who needs educational programs and services beyond those normally provided in a regular education program.
- ~~4-5.~~ a. "Student with a disability" means an individual who is at least three years of age but who has not reached the age of twenty-one before August first of the year in which the individual turns twenty-one and who requires special education and related services because of:
  - (1) An intellectual disability;
  - (2) A hearing impairment, including deafness;
  - (3) Deaf-blindness;
  - (4) A speech or language impairment;
  - (5) A visual impairment, including blindness;
  - (6) An emotional disturbance;
  - (7) An orthopedic impairment;
  - (8) Autism;
  - (9) A traumatic brain injury;

(10) Other health impairment; or

(11) A specific learning disability.

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

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

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

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

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

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

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

~~c.b.~~ Is willing to admit the student; and

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

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

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

~~4.3.~~ Upon being notified by the district in which the student receives services that the 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) The amount actually expended by the district for the provision of special education and related services to that student; or
- (2) The amount representing four times the state average cost of education per student.

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

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

In this chapter, unless the context otherwise requires:

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