

**2025 HOUSE EDUCATION**

**HB 1369**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Education Committee Coteau AB Room, State Capitol

HB 1369  
1/29/2025

Relating to weighted average daily membership, the determination of state aid, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

9:00 a.m. Chairman Heinert called the meeting to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Members absent: Representative Heilman

### Discussion Topics:

- Foreign languages
- Behavioral support
- Financial support

9:01 a.m. Chairman Heinert introduced the bill.

9:05 a.m. Amiee Copas, Executive Director, NDCEL, testified in favor and submitted testimony. #32441, #32442

9:10 a.m. Dr Jeff Fastnacht, Superintendent of Bismarck Public Schools, testified in favor and submitted testimony. #32205

9:17 a.m. Mike McNeff, Superintendent of Rugby Public Schools, testified in favor and submitted testimony. #32145

9:27 a.m. Marcus Lewton, Superintendent of Dickinson Public Schools, testified in favor and submitted testimony. #32312

9:33 a.m. Brandt Dick, President of ND Small Organized Schools, testified in favor.

9:34 a.m. Amy De Kok, Executive Director of the North Dakota School Board Association, NDSBA, testified in favor.

9:25 a.m. Russ Hanson, Vice President of the Associated General Contractors of ND, testified in favor.

9:38 a.m. Adam Tescher, School Finance Officer, NDDPI, answered questions for the committee and submitted neutral testimony. #32336 #32337 #32338 #32339

9:49 a.m. Vice Chairman Schreiber- Beck closed the hearing.



House Education Committee

HB 1369

01-29-25

Page 2

*Leah Kuball, Committee Clerk*

**Amendment to HB 1369: Addressing Declining Enrollment with a 3-Year Rolling Average of Weighted Student Units**

Good morning, Chairman Heinert, members of the House Education Committee. My name is Mike McNeff, and I serve as the superintendent of Rugby Public School District. I am here to propose an amendment to HB 1369 that addresses the challenges faced by school districts experiencing declining enrollment. This amendment seeks to implement a 3-year rolling average for Weighted Student Units, or WSU, to ensure greater stability and predictability in school funding.

Weighted Student Units are an essential metric in school funding formulas designed to reflect the varying costs of educating different student populations. Unlike Average Daily Membership (ADM), which simply counts total enrollment, WSU assigns additional weight to students who require specialized programs or resources. These include students in special education, English language learners, at-risk populations, alternative education programs, and even those impacted by school size. This approach ensures that funding is distributed more equitably and reflects the diverse needs of districts.

The proposed amendment would allow districts to calculate funding based on the greater of a 3-year rolling average WSU or the previous year's WSU if they experienced a decline in ADM from the prior year. This adjustment prevents districts from experiencing sudden reductions in funding due to enrollment declines, while still allowing them to benefit from growth if enrollment stabilizes or increases. By applying the current per-pupil payment to the higher of these two figures, the formula becomes more adaptable to district realities.

Let's use Rugby as an example to illustrate how the proposed amendment would work. In the 2024-2025 fiscal year, Rugby's Weighted Student Units (WSU) is 642.48. In the previous two years, Rugby's WSU was 655.77 in 2023-2024 and 642.97 in 2022-2023. When averaged over these three years, the rolling WSU comes out to 647.07. Now, if Rugby's projected WSU for 2025-2026 drops further to the projected 640, the funding formula under this amendment would use the higher figure of 647.07 (the 3-year rolling average) instead of the projected 640. This ensures the district receives funding based on a more stable and representative figure, rather than an abrupt reduction. This adjustment helps mitigate the financial impact of declining enrollment, allowing the district to maintain critical programming, staffing, and resources without making immediate and drastic cuts.

Without this adjustment, districts facing declining ADM encounter serious challenges. A drop in ADM leads to a loss of funding, even though fixed costs such as transportation, facilities, and staffing remain constant. This creates a misalignment between financial

reality and community expectations. Teachers, for instance, often hear about a 3% increase in per-pupil funding and understandably anticipate salary or benefit increases. However, for districts with declining ADM, those increases are absorbed by the loss of enrollment, creating a financial disconnect. Additionally, abrupt drops in WSU force districts to make sudden cuts to programs and staff, disrupting services and negatively impacting student outcomes.

I reached out to Adam Tescher to request detailed information for all school districts in North Dakota. Using the data he provided, I created a spreadsheet to determine the fiscal note for the previous two fiscal years, which I will share at this [link](#). Based on my analysis, approximately 80 districts experienced a decline in ADM over the past two fiscal years (FY24 and FY25). This summary highlights my findings and outlines the potential fiscal impact if the proposed amendment had been in effect during this period.

Projected Fiscal Impact for FY24 and FY25

	<u>FY24</u>	<u>FY25</u>
# of 3-year average WSU Districts	31	54
# Prior Year WSU Districts	52	29
Impact to Total Formula Payment	<u>\$3,014,521.36</u>	<u>\$8,576,371.20</u>

Based on my analysis, the fiscal impact for the previous two fiscal years would have been \$11,590,892.

In conclusion, the proposed amendment to HB 1369 provides a practical and equitable solution to the challenges of declining enrollment. By allowing funding to be calculated using the greater of a 3-year rolling WSU average or the previous year's WSU, it ensures stability and predictability for districts while allowing them time to "right size" and adjust their budgets accordingly. I urge you to support this amendment and help build a more sustainable and equitable funding system for schools across North Dakota. Thank you for your time and consideration. I am happy to answer any questions.

1 HB 1369 – Weighted Average Daily Membership – by Dr. Jeff Fastnacht,  
2 Superintendent, Bismarck Public School District.

3 I wish to support HB 1369 and applaud the efforts to provide substantial financial  
4 support to your public schools to ensure every public school child in the great state  
5 of North Dakota is provided the educators, programs, and services they need to be  
6 Choice Ready, graduate, and succeed.

7 I could provide testimony on the overall foundation payment and a desire to see the  
8 Legislature be more supportive, but I want to share some points on the formula that  
9 are more precise.

10 I would like you to consider amendments to address a rapidly growing population  
11 and the services they need to become productive members of our workforce. This  
12 consideration is for your support of English Language learners. Bismarck Public  
13 School, as of last Friday, had 645 enrolled EL students. EL students are put into  
14 levels based on their proficiency, starting with Newcomer/Level 1, up to Level 6.  
15 Last year, BPS saw a 73% increase in Level 1 students. This year, that increase is  
16 another 47% resulting in now 170 Newcomer/Level 1 students. BPS has 100 level 2  
17 students; the rest are level 3 or greater. You can see that 41% of our EL students are  
18 classified as Newcomer or Beginning.

19 What does that mean for our educators and students? Level 1 students commonly  
20 have little or no English skills. They come in all shapes and sizes, from kindergarten  
21 to high school students. Many assume that we only need to provide translation  
22 through an interpreter or electronic device and we can accommodate these children  
23 while we teach them English. That may be some of our kids, but not all. We have  
24 many new students who are entering our schools as Newcomers, that are not only

1 learning English but they are also learning their native language. These new students,  
2 can speak their home language, but due to lack of schooling or other factors, they  
3 cannot read their home language. So we are, in some cases, not only teaching these  
4 children English but also providing support to learn their home language. Without  
5 the ability to read their native language, even written translation becomes a  
6 significant challenge.

7 What I am asking is that you consider expanding the weighting factor for EL students  
8 to make Levels 1, 2, and 3 the same weight as Level 1 is today (.40). This would  
9 help support the services that are being stretched in many of our districts as we  
10 welcome in a more diverse workforce from around the nation.

11 My second ask for you and the committee is to consider the impact of student  
12 behavioral health needs on our schools. I will not get into the stories as you have  
13 heard those already, but those needs are not adequately funded as many districts  
14 build robust systems of care for these students. In BPS, we have building-level  
15 interventions, additional mental health staff, and ever-expanding out-of-building  
16 programs such as RenewEd. Would the committee consider providing all schools  
17 additional funding to address these needs within the At-Risk factor in the formula.  
18 At the present time the factor is .025 and the number of students is determined by  
19 the number of students between 3<sup>rd</sup> to 8<sup>th</sup> grade that receive free or reduced-price  
20 meals. At risk students are not just those that receive free or reduced-price meals. In  
21 addition, in a world where fewer and fewer families are even completing those  
22 applications, the factor is not representing the need. Would you consider changing  
23 this to a factor applied to our entire student population?

24 Thank you for considering these important aspects to the funding formula.

HB 1369 – Weighted Average Daily Membership, Dr. Marcus Lewton, Superintendent, Dickinson Public Schools.

Members of the House Education Committee,

My name is Marcus Lewton, and I am the Superintendent of Dickinson Public Schools. I am here today to testify in favor of support of HB 1369. In addition, I would like the committee to consider increasing the weighted funding measure for English Learner (EL) students. The need for enhanced support is critical as our district, along with many others in the state, have experienced a significant increase in the number of students requiring EL services.

In the fall of 2023, Dickinson Public Schools had 160 EL students. That number has now more than doubled to 329 EL students. Currently, we receive approximately \$360,000 in weighted funding from the state for EL students. However, our hard costs for EL services this year exceed \$900,000. If we were able to hire the necessary EL instructors & support staff to meet the recommendations of the North Dakota Department of Public Instruction (DPI), our costs would approach \$2 million. The gap between funding and actual needs is placing immense strain on our resources.

Our growing EL population is closely tied to our local economy. A quick survey of our Adult Education EL students revealed that many families have moved to Dickinson due to employment in the oil and construction industries. Their children, however, often face immense challenges. Many of our recently arrived EL students are classified as Level One on the state WIDA assessment. These students frequently come from backgrounds with little or no formal education. Some middle and high school students do not know how to read or write in their native language, which compounds the difficulty of teaching them English.

To illustrate the challenges, I want to share two stories from our schools. In October, I spoke with a secondary teacher who was celebrating a small but meaningful success with one of her EL students. The student was beginning to understand key English words and could complete two-digit addition and subtraction. However, the teacher explained how difficult it was to use translation devices with this student because the student's native dialect was not supported. When I suggested having the student type their questions in their own language, the teacher reminded me, "Marcus, this child doesn't know how to read or write in their own language."

Last month, I stepped in as a principal at one of our elementary schools and worked with an older elementary student who had recently been suspected of being trafficked by local law enforcement. This young girl had faced significant trauma and adverse childhood experiences. She struggled socially and academically, and when I sat down with her, it was clear she was already more than five years behind her peers. We spent time together working on basic numbers and letters. While this was a small step forward, her situation underscores the immense challenges faced by many of our EL students.

Despite these obstacles, our EL students and their families are some of the hardest-working members of our community. They take jobs that our local employers can't fill and are willing work long and hard hours. They support their teachers and want what is academically best for

their children. The high cost of providing adequate education for these students, however, is straining our district's budget. We are being forced to divert funds from other students to meet the requirements of the law.

Currently, Dickinson Public Schools has 329 EL students. Of those, 126 are identified as level One, of which 70 are newcomers. These are students who have little or no use of the English Language. As I mentioned earlier, some of them have no formal education experience. We also have 38 level Two, and 80 level three EL students, according to last years numbers. These three levels are students with the greatest need and support to help master the English language.

I'm here today to ask you to consider increasing the weighted funding factor for EL students. Please consider increasing the formula for level two and three students to the same weight at Level 1, which is .40. Doing so would provide districts like ours with the resources needed to adequately support these students and ensure their success.

Thank you for your time and consideration.

Sincerely,  
Dr. Marcus Lewton  
Superintendent  
Dickinson Public Schools



# STATE AID TO SCHOOLS PAYMENT WORKSHEET - Projection

North Dakota Department of Public Instruction  
Office of School Finance and Organization

## Cost to Continue

District Name Killdeer 16	County District Number 13-016	School Year 2025-2026
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### A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29.02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29.14) are also included.

#### Student Membership

- 1 Pk Special Education
- 2 Kindergarten
- 3 Grade 1-6
- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
10.00	1.000	10.00
37.00	1.000	37.00
264.00	1.000	264.00
100.00	1.000	100.00
163.00	1.000	163.00
-	1.000	-
		574.00

#### Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 25-26 Fall Enrollment above 2025 ADM
- 13 Spring 2025 ADM Adjustment
- 14 ELL Level 1
- 15 ELL Level 2
- 16 ELL Level 3
- 17 At Risk
- 18 Home-Education (district supervised)
- 19 Alt Middle School
- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

-	0.250	-
574.00	0.088	50.51
10.00	0.170	1.70
574.00	0.002	1.15
9.91	1.000	9.91
-	1.000	-
2.76	0.400	1.10
4.00	0.280	1.12
11.34	0.070	0.79
137.76	0.025	3.44
-	0.200	-
-	0.150	-
5.32	0.600	3.19
-	1.000	-
-	0.100	-
-	1.100	-

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 Virtual Average Daily Membership
- 26 In Person Average Daily Membership
- 27 School District Size Weighting Factor
- 28 In Person Weighted Student Units
- 29 Total Weighted Student Units
- 30 Per Student Payment Rate
- 31 Total Formula Payment

646.91
-
646.91
1.0200
659.85
659.85
\$11,072.00
7,305,859.20

#### Formula Adjustments

- 32 Transition Minimum Adjustment (from line 73)
- 33 Total Adjusted Formula Amount (total lines 31, and 32)
- 34 Contribution from Property Tax (from line 48)
- 35 Contribution from Other Local Revenue (from line 43)
- 36 State Aid Payment (line 33 minus lines 34 and 35)

30%		
7,630,868.42	325,009.22	97,502.77
		7,403,361.97
		4,455,166.50
		2,642,088.20
		306,107.27

#### State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 64)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
306,107.27	-	306,107.27
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
306,107.27	-	306,107.27

Total State Aid

Excess Fund Balance Offset (from line 52)

-
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# SUPPORTING CALCULATIONS

<b>B CONTRIBUTION FROM OTHER LOCAL REVENUE</b>		Total Revenue	Apportioned Revenue	Percent	
37	1300 Tuition	167,078.89	121,767.10	75%	91,325.33
38	2999 County	3,224,479.82	2,350,000.90	75%	1,762,500.68
39	US Flood	1,371,975.56	999,895.79	75%	749,921.84
40	Electric Generation, Distribution and Transmission Tax	-	-	75%	-
41	Mobile Home and Other In-Lieu Taxes	57,753.70	42,090.90	75%	31,568.18
42	Telecommunications	12,389.62	9,029.56	75%	6,772.17
43	Contribution from Other Local Revenue				2,642,088.20

	S & I Levy	Total Levy	Non S & I Percentage
	25.14	92.70	72.88%

<b>C CONTRIBUTION FROM PROPERTY TAX</b>		
44	District Taxable Valuation	74,252,775
45	Contribution Mill Rate	60
46	Contribution from Property Tax (line 43 times line 44 divided by 1000)	4,455,166.50
47	Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-
48	Contribution from Property Tax (Max 46, 47)	4,455,166.50

<b>D EXCESS FUND BALANCE OFFSET</b>		
49	General Fund Ending Balance	-
50	General Fund Expenditures	-
51	35% of General Fund Expenditures + \$50,000	50,000.00
52	Excess Fund Balance Offset (line 49 minus line 51, if less than zero enter zero)	-

E TRANSPORTATION WORKSHEET					
Transportation Statistics		Rate	Miles	Rides	Total
53	Small Bus Miles	0.52	0.0	xxxxxx	-
54	Large Bus Miles	1.11	0.0	xxxxxx	-
55	Rural Rides	0.30	xxxxxx	0	-
56	Small In-City Miles	0.52	0.0	xxxxxx	-
57	Large In-City Miles	1.11	0.0	xxxxxx	-
58	In-City Rides	0.30	xxxxxx	0	-
59	Family - To School	0.25	0.0	xxxxxx	-
60	Family - To Bus	0.25	0.0	xxxxxx	-
61	Not Reimbursable	-	0.0	0	-
62 Total Transportation Reimbursement					-
63 Reimbursement Cap --- 90% of transportation expenditures					634,657.45
64 Transportation Grant Total (lesser of 90% cap or total)					-

<b>F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS</b>		
65	Baseline Funding (2018-19 State Aid Formula Payment, GF levies and 75%-100% In-lieu)	6,737,574.72
66	Baseline Weighted Student Units (2018-19)	591.34
67	Baseline Funding Rate	\$11,393.74

		Baseline Funding	Baseline Weighted Student Units	
Adjustment for Minimum		Rate	Minimum Percent	
68	Minimum Increase Per Student	\$11,393.74	1.02	591.34
69	WSUs above baseline	\$11,072.00		68.51
70	Baseline Funding (from line 65)			6,737,574.72
71	Minimum Funding Percentage			100%
72	Minimum Funding Amount			6,737,574.72
73	Minimum Increase Amount (greater of line 68 and 69 or line 72)			7,630,868.42



# STATE AID TO SCHOOLS PAYMENT WORKSHEET - Projection

North Dakota Department of Public Instruction  
Office of School Finance and Organization

HB 1369

District Name	County District Number	School Year
Killdeer 16	13-016	2025-2026

## A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

### Student Membership

- 1 Pk Special Education
- 2 Kindergarten
- 3 Grade 1-6
- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
10.00	1.000	10.00
37.00	1.000	37.00
264.00	1.000	264.00
100.00	1.000	100.00
163.00	1.000	163.00
-	1.000	-
		574.00

### Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 25-26 Fall Enrollment above 2025 ADM
- 13 Spring 2025 ADM Adjustment
- 14 ELL Level 1
- 15 ELL Level 2
- 16 ELL Level 3
- 17 At Risk
- 18 Home-Education (district supervised)
- 19 Alt Middle School
- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

-	0.250	-
574.00	0.095	54.53
10.00	0.170	1.70
574.00	0.002	1.15
9.91	1.000	9.91
-	1.000	-
2.76	0.400	1.10
4.00	0.280	1.12
11.34	0.070	0.79
137.76	0.025	3.44
-	0.200	-
-	0.150	-
5.32	0.600	3.19
-	1.000	-
-	0.100	-
-	1.100	-

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 Virtual Average Daily Membership
- 26 In Person Average Daily Membership
- 27 School District Size Weighting Factor
- 28 In Person Weighted Student Units
- 29 Total Weighted Student Units
- 30 Per Student Payment Rate
- 31 Total Formula Payment

650.93
-
650.93
1.0200
663.95
663.95
\$11,404.00
7,571,685.80

### Formula Adjustments

- 32 Transition Minimum Adjustment (from line 73)
- 33 Total Adjusted Formula Amount (total lines 31, and 32)
- 34 Contribution from Property Tax (from line 48)
- 35 Contribution from Other Local Revenue (from line 43)
- 36 State Aid Payment (line 33 minus lines 34 and 35)

30%		
7,700,370.14	128,684.34	38,605.30
		7,610,291.10
		4,455,166.50
		2,642,088.20
		513,036.40

### State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 64)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
513,036.40	-	513,036.40
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
513,036.40	-	513,036.40

Total State Aid

Excess Fund Balance Offset (from line 52)

-
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# SUPPORTING CALCULATIONS

<b>B CONTRIBUTION FROM OTHER LOCAL REVENUE</b>		Total Revenue	Apportioned Revenue	Percent	
37	1300 Tuition	167,078.89	121,767.10	75%	91,325.33
38	2999 County	3,224,479.82	2,350,000.90	75%	1,762,500.68
39	US Flood	1,371,975.56	999,895.79	75%	749,921.84
40	Electric Generation, Distribution and Transmission Tax	-	-	75%	-
41	Mobile Home and Other In-Lieu Taxes	57,753.70	42,090.90	75%	31,568.18
42	Telecommunications	12,389.62	9,029.56	75%	6,772.17
43	Contribution from Other Local Revenue				2,642,088.20

	S & I Levy	Total Levy	Non S & I Percentage
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<b>C CONTRIBUTION FROM PROPERTY TAX</b>		
44	District Taxable Valuation	74,252,775
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46	Contribution from Property Tax (line 43 times line 44 divided by 1000)	4,455,166.50
47	Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-
48	Contribution from Property Tax (Max 46, 47)	4,455,166.50

<b>D EXCESS FUND BALANCE OFFSET</b>		
49	General Fund Ending Balance	-
50	General Fund Expenditures	-
51	35% of General Fund Expenditures + \$50,000	50,000.00
52	Excess Fund Balance Offset (line 49 minus line 51, if less than zero enter zero)	-

E TRANSPORTATION WORKSHEET					
Transportation Statistics		Rate	Miles	Rides	Total
53	Small Bus Miles	0.52	0.0	xxxxxx	-
54	Large Bus Miles	1.11	0.0	xxxxxx	-
55	Rural Rides	0.30	xxxxxx	0	-
56	Small In-City Miles	0.52	0.0	xxxxxx	-
57	Large In-City Miles	1.11	0.0	xxxxxx	-
58	In-City Rides	0.30	xxxxxx	0	-
59	Family - To School	0.25	0.0	xxxxxx	-
60	Family - To Bus	0.25	0.0	xxxxxx	-
61	Not Reimbursable	-	0.0	0	-
62 Total Transportation Reimbursement					-
63 Reimbursement Cap --- 90% of transportation expenditures					634,657.45
64 Transportation Grant Total (lesser of 90% cap or total)					-

<b>F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS</b>		
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		Baseline Funding	Baseline Weighted Student Units	
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69	WSUs above baseline	\$11,404.00		72.61
70	Baseline Funding (from line 65)			6,737,574.72
71	Minimum Funding Percentage			100%
72	Minimum Funding Amount			6,737,574.72
73	Minimum Increase Amount (greater of line 68 and 69 or line 72)			7,700,370.14



# STATE AID TO SCHOOLS PAYMENT WORKSHEET - Projection

North Dakota Department of Public Instruction  
Office of School Finance and Organization

## Cost to Continue

District Name Killdeer 16	County District Number 13-016	School Year 2026-2027
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### A STATE AID FORMULA:

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- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
10.00	1.000	10.00
51.63	1.000	51.63
258.74	1.000	258.74
95.54	1.000	95.54
168.00	1.000	168.00
-	1.000	-
		583.91

#### Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 2023 Fall Enrollment above 2022 ADM
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- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

-	0.250	-
583.91	0.088	51.38
10.00	0.170	1.70
583.91	0.002	1.17
3.07	1.000	3.07
-	1.000	-
2.76	0.400	1.10
4.00	0.280	1.12
11.34	0.070	0.79
140.14	0.025	3.50
-	0.200	-
-	0.150	-
5.32	0.600	3.19
-	1.000	-
-	0.100	-
-	1.100	-

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 Virtual Average Daily Membership
- 26 In Person Average Daily Membership
- 27 School District Size Weighting Factor
- 28 In Person Weighted Student Units
- 29 Total Weighted Student Units (add lines 25 and 28)
- 30 Per Student Payment Rate
- 31 Total Formula Payment

650.93
-
650.93
1.0200
663.95
663.95
\$11,072.00
7,351,254.40

#### Formula Adjustments

- 32 Transition Minimum Adjustment (from line 73)
- 33 Total Adjusted Formula Amount (total lines 31, and 32)
- 34 Contribution from Property Tax (from line 48)
- 35 Contribution from Other Local Revenue (from line 43)
- 36 State Aid Payment (line 33 minus lines 34 and 35)

15%		
7,676,263.62	325,009.22	48,751.38
		7,400,005.78
		4,722,476.52
		2,642,088.20
		35,441.06

#### State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 64)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
35,441.06	-	35,441.06
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
35,441.06	-	35,441.06

Total State Aid

Excess Fund Balance Offset (from line 52)

-
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# SUPPORTING CALCULATIONS

<b>B CONTRIBUTION FROM OTHER LOCAL REVENUE</b>			
	Total Revenue	Apportioned Revenue	Percent
37 1300 Tuition	167,078.89	121,767.10	75%
38 2999 County	3,224,479.82	2,350,000.90	75%
39 US Flood	1,371,975.56	999,895.79	75%
40 Electric Generation, Distribution and Transmission Tax	-	-	75%
41 Mobile Home and Other In-Lieu Taxes	57,753.70	42,090.90	75%
42 Telecommunications	12,389.62	9,029.56	75%
43 Contribution from Other Local Revenue	S & I Levy	Total Levy	
	25.14	92.70	72.88%

<b>C CONTRIBUTION FROM PROPERTY TAX</b>	
44 District Taxable Valuation	78,707,942
45 Contribution Mill Rate	60
46 Contribution from Property Tax (line 43 times line 44 divided by 1000)	4,722,476.52
47 Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-
48 Contribution from Property Tax (Max 46, 47)	4,722,476.52

<b>D EXCESS FUND BALANCE OFFSET</b>	
49 General Fund Ending Balance	-
50 General Fund Expenditures	-
51 35% of General Fund Expenditures + \$50,000	50,000.00
52 Excess Fund Balance Offset (line 49 minus line 51, if less than zero enter zero)	-

<b>E TRANSPORTATION WORKSHEET</b>				
Transportation Statistics				
	Rate	Miles	Rides	Total
53 Small Bus Miles	0.520	0.0	xxxxx	-
54 Large Bus Miles	1.110	0.0	xxxxx	-
55 Rural Rides	0.300	xxxxx	0	-
56 Small In-City Miles	0.520	0.0	xxxxx	-
57 Large In-City Miles	1.110	0.0	xxxxx	-
58 In-City Rides	0.300	xxxxx	0	-
59 Family - To School	0.250	0.0	xxxxx	-
60 Family - To Bus	0.250	0.0	xxxxx	-
61 Not Reimbursable	-	0.0	0	-
62 Total Transportation Reimbursement				-
63 Reimbursement Cap --- 90% of transportation expenditures				634,657.45
64 Transportation Grant Total (lesser of 90% cap or total)				-

<b>F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS</b>			
65 Baseline Funding (2018-19 State Aid Formula Payment, GF levies and 75%-100% In-lieu)			6,737,574.72
66 Baseline Weighted Student Units (2018-19)			591.34
67 Baseline Funding Rate			\$11,393.74
	Baseline Funding	Weighted Student	
	Rate	Minimum Percent	Units
68 Minimum Increase Per Student	\$11,393.74	1.02	591.34
69 WSUs above baseline	\$11,072.00		72.61
70 Baseline Funding (from line 65)			6,737,574.72
71 Minimum Funding Percentage			100%
72 Minimum Funding Amount			6,737,574.72
73 Minimum Increase Amount (greater of line 68 or line 72)			7,676,263.62



# STATE AID TO SCHOOLS PAYMENT WORKSHEET - Projection

North Dakota Department of Public Instruction  
Office of School Finance and Organization

HB 1369

District Name Killdeer 16	County District Number 13-016	School Year 2026-2027
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## A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

### Student Membership

- 1 Pk Special Education
- 2 Kindergarten
- 3 Grade 1-6
- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
10.00	1.000	10.00
51.63	1.000	51.63
258.74	1.000	258.74
95.54	1.000	95.54
168.00	1.000	168.00
-	1.000	-
		583.91

### Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 2023 Fall Enrollment above 2022 ADM
- 13 Spring 2022 ADM Adjustment
- 14 ELL Level 1
- 15 ELL Level 2
- 16 ELL Level 3
- 17 At Risk
- 18 Home-Education (district supervised)
- 19 Alt Middle School
- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

-	0.250	-
583.91	0.095	55.47
10.00	0.170	1.70
583.91	0.002	1.17
3.07	1.000	3.07
-	1.000	-
2.76	0.400	1.10
4.00	0.280	1.12
11.34	0.070	0.79
140.14	0.025	3.50
-	0.200	-
-	0.150	-
5.32	0.600	3.19
-	1.000	-
-	0.100	-
-	1.100	-

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 Virtual Average Daily Membership
- 26 In Person Average Daily Membership
- 27 School District Size Weighting Factor
- 28 In Person Weighted Student Units
- 29 Total Weighted Student Units (add lines 25 and 28)
- 30 Per Student Payment Rate
- 31 Total Formula Payment

655.02
-
655.02
1.0200
668.12
668.12
\$11,746.00
7,847,737.52

### Formula Adjustments

- 32 Transition Minimum Adjustment (from line 73)
- 33 Total Adjusted Formula Amount (total lines 31, and 32)
- 34 Contribution from Property Tax (from line 48)
- 35 Contribution from Other Local Revenue (from line 43)
- 36 State Aid Payment (line 33 minus lines 34 and 35)

15%		
7,774,183.58	-	-
		7,847,737.52
		4,722,476.52
		2,642,088.20
		483,172.80

### State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 64)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
483,172.80	-	483,172.80
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
483,172.80	-	483,172.80

Total State Aid

Excess Fund Balance Offset (from line 52)

-
---

**SUPPORTING CALCULATIONS**

<b>B CONTRIBUTION FROM OTHER LOCAL REVENUE</b>				
	Total Revenue	Apportioned Revenue	Percent	
37 1300 Tuition	167,078.89	121,767.10	75%	91,325.33
38 2999 County	3,224,479.82	2,350,000.90	75%	1,762,500.68
39 US Flood	1,371,975.56	999,895.79	75%	749,921.84
40 Electric Generation, Distribution and Transmission Tax	-	-	75%	-
41 Mobile Home and Other In-Lieu Taxes	57,753.70	42,090.90	75%	31,568.18
42 Telecommunications	12,389.62	9,029.56	75%	6,772.17
43 Contribution from Other Local Revenue	S & I Levy	Total Levy		2,642,088.20
	25.14	92.70	72.88%	

<b>C CONTRIBUTION FROM PROPERTY TAX</b>	
44 District Taxable Valuation	78,707,942
45 Contribution Mill Rate	60
46 Contribution from Property Tax (line 43 times line 44 divided by 1000)	4,722,476.52
47 Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-
48 Contribution from Property Tax (Max 46, 47)	4,722,476.52

<b>D EXCESS FUND BALANCE OFFSET</b>	
49 General Fund Ending Balance	-
50 General Fund Expenditures	-
51 35% of General Fund Expenditures + \$50,000	50,000.00
52 Excess Fund Balance Offset (line 49 minus line 51, if less than zero enter zero)	-

<b>E TRANSPORTATION WORKSHEET</b>				
	Rate	Miles	Rides	Total
53 Small Bus Miles	0.520	0.0	xxxxx	-
54 Large Bus Miles	1.110	0.0	xxxxx	-
55 Rural Rides	0.300	xxxxx	0	-
56 Small In-City Miles	0.520	0.0	xxxxx	-
57 Large In-City Miles	1.110	0.0	xxxxx	-
58 In-City Rides	0.300	xxxxx	0	-
59 Family - To School	0.250	0.0	xxxxx	-
60 Family - To Bus	0.250	0.0	xxxxx	-
61 Not Reimbursable	-	0.0	0	-
62 Total Transportation Reimbursement				-
63 Reimbursement Cap --- 90% of transportation expenditures				634,657.45
64 Transportation Grant Total (lesser of 90% cap or total)				-

<b>F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS</b>				
65 Baseline Funding (2018-19 State Aid Formula Payment, GF levies and 75%-100% In-lieu)				6,737,574.72
66 Baseline Weighted Student Units (2018-19)				591.34
67 Baseline Funding Rate				\$11,393.74
	Baseline Funding	Weighted Student		
	Rate	Minimum	Percent	Units
68 Minimum Increase Per Student	\$11,393.74	1.02		591.34
69 WSUs above baseline	\$11,746.00			76.78
70 Baseline Funding (from line 65)				6,737,574.72
71 Minimum Funding Percentage				100%
72 Minimum Funding Amount				6,737,574.72
73 Minimum Increase Amount (greater of line 68 or line 72)				7,774,183.58

25.0716.02000

Sixty-ninth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

**4% / 4% requested**

- 1 A BILL for an Act to amend and reenact sections 15.1-27-03.1, 15.1-27-04.1, 48-01.2-02.1, and  
2 57-15-14.2 of the North Dakota Century Code, relating to weighted average daily membership,  
3 the determination of state aid, public improvement construction, and school district levies; to  
4 provide for a transfer; and to provide an effective date.

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

- 6 **SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

#### 8 **15.1-27-03.1. Weighted average daily membership - Determination.**

(a) **Definition of ADM:** For the purposes of state education funding, "Average Daily Membership" (ADM) shall be defined as the total aggregate membership of students over a given period divided by the number of days in that period. It is determined to be based on on-time funding or three year rolling average or whatever is greater

- 9 (b) **Three-Year Rolling Average Calculation:** Notwithstanding any other provision of law, for the purpose of determining state aid, a three year rolling average shall be computed by averaging the ADM of the district for the current school year and the ADMs of the two immediately preceding school years.

© **On-Time Funding:** Notwithstanding any other provision of all, for the purpose of determining state aid, on-time funding is based on the student ADM count as of the North Dakota Department of Public Instruction Fall Enrollment Report.

- 10 1. For each school district, the superintendent of public instruction shall multiply by:  
11 a. 1.00 the number of full-time equivalent students enrolled in an extended  
12 educational program in accordance with section 15.1-32-17;  
13 b. 0.60 the number of full-time equivalent students enrolled in a summer education



- 14 program, including a migrant summer education program;
- 15 c. 0.40 the number of full-time equivalent students who:
- 16 (1) On a test of English language proficiency approved by the superintendent of
- 17 public instruction are determined to be least proficient and placed in any the-  
~~first~~ of six categories of proficiency; ~~and~~
- ~~18 (2) Are enrolled in a program of instruction for English language learners;~~
- ~~19 d. 0.28 the number of full-time equivalent students who:~~
- ~~20 (1) On a test of English language proficiency approved by the superintendent of~~
- ~~21 public instruction are determined to be more proficient than students placed~~
- ~~22 in the first of six categories of proficiency and therefore placed in the second~~
- ~~23 of six categories of proficiency; and~~
- ~~24 (2) Are enrolled in a program of instruction for English language learners;~~

- 1 e. 0.25 the number of full-time equivalent students under the age of twenty-one  
2 enrolled in grades nine through twelve in an alternative high school;
- 3 f. 0.20 the number of full-time equivalent students enrolled in a home-based  
4 education program and monitored by the school district under chapter 15.1-23;
- 5 g. 0.17 the number of full-time equivalent students enrolled in an early childhood  
6 special education program;
- 7 h. 0.15 the number of full-time equivalent students in grades six through eight  
8 enrolled in an alternative education program for at least an average of fifteen  
9 hours per week;
- 10 i. 0.10 the number of students enrolled in average daily membership, if the district  
11 has fewer than one hundred students enrolled in average daily membership and  
12 the district consists of an area greater than two hundred seventy-five square  
13 miles [19424.9 hectares], provided that any school district consisting of an area  
14 greater than six hundred square miles [155399 hectares] and enrolling fewer than  
15 fifty students in average daily membership must be deemed to have an  
16 enrollment equal to fifty students in average daily membership;
- 17 j. ~~0.0880.095~~ 0.095 the number of students enrolled in average daily membership, in  
18 order to support the provision of special education services;
- 19 k. 0.07 the number of full-time equivalent students who:
- 20 (1) On a test of English language proficiency approved by the superintendent of  
21 public instruction are determined to be more proficient than students placed  
22 in the second of six categories of proficiency and therefore placed in the  
23 third of six categories of proficiency;
- 24 (2) Are enrolled in a program of instruction for English language learners; and
- 25 (3) Have not been in the third of six categories of proficiency for more than  
26 three years;
- 27 l. 0.025 the number of students ~~representing that percentage of the total number of~~  
28 ~~students in average daily membership which is equivalent to the three-year~~  
29 ~~average percentage of students in grades three through eight who are eligible for~~  
30 ~~free or reduced lunches under the Richard B. Russell National School Lunch Act~~  
31 ~~[42 U.S.C. 1751 et seq.];~~ enrolled in average daily membership, in order to  
support at-risk students

- m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1;
- n. 1.0 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership; and
- o. For districts paid based on September tenth enrollment in the prior year, 1.00 the number of students determined by deducting the number of students in the prior year's September tenth enrollment from the prior year's average daily membership. If the prior year's September tenth enrollment exceeds the prior year's average daily membership, then a deduction of 1.00 the number of excess students.

- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 2. 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~~) (~~Retroactive application~~ - [See note](#))**

- ~~4. 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);~~
- d. ~~An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:~~

  - (1) ~~Mobile home tax revenue;~~
  - (2) ~~Telecommunications tax revenue; and~~

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

e. ~~Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.~~

2. a. ~~The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.~~

b. ~~For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.~~

c. ~~Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per~~

1           weighted student unit provided in subsection 3. For the 2023-24 school year the  
2           superintendent shall reduce the district's baseline funding per weighted student  
3           unit by forty percent of the amount by which the district's baseline funding per  
4           weighted student unit exceeds the payment per weighted student unit for the  
5           2023-24 school year. For each year thereafter, the reduction percentage is  
6           increased by an additional fifteen percent. However, the district's baseline funding  
7           per weighted student unit, after the reduction, may not be less than the payment  
8           per weighted student unit provided in subsection 3.

9       3.   a.   For the 2023-24 school year, the superintendent shall calculate state aid as the  
10       greater of:

11       (1) — The district's weighted student units multiplied by ten thousand six hundred  
12       forty-six dollars;

13       (2) — One hundred two percent of the district's baseline funding per weighted  
14       student unit, as established in subsection 2, multiplied by the district's  
15       weighted student units, not to exceed the district's 2017-18 baseline  
16       weighted student units, plus any weighted student units in excess of the  
17       2017-18 baseline weighted student units multiplied by ten thousand  
18       six hundred forty-six dollars; or

19       (3) — The district's baseline funding as established in subsection 1 less the  
20       amount in paragraph 1, with the difference reduced by forty percent and  
21       then the difference added to the amount determined in paragraph 1.

22       b.   For the 2024-25 school year and each school year thereafter, the superintendent  
23       shall calculate state aid as the greater of:

24       (1) — The district's weighted student units multiplied by eleven thousand  
25       seventy-two dollars;

26       (2) — One hundred two percent of the district's baseline funding per weighted  
27       student unit, as established in subsection 2, multiplied by the district's  
28       weighted student units, not to exceed the district's 2017-18 baseline  
29       weighted student units, plus any weighted student units in excess of the  
30       2017-18 baseline weighted student units multiplied by eleven thousand  
31       seventy-two dollars; or

1                   (3) The district's baseline funding as established in subsection 1 less the  
2                   amount in paragraph 1, with the difference reduced by fifty-five percent for  
3                   the 2024-25 school year and the reduction percentage increasing by fifteen  
4                   percent each school year thereafter until the difference is reduced to zero,  
5                   and then the difference added to the amount determined in paragraph 1.

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

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

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

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

18           (a) In addition to deducting tuition revenue received specifically for the  
19           operation of an educational program provided at a residential  
20           treatment facility, tuition revenue received for the provision of an adult  
21           farm management program, tuition received for the education of  
22           high-cost and special education students, and tuition received under  
23           an agreement to educate students from a school district on an  
24           air force base with funding received through federal impact aid as  
25           directed each school year in paragraph 3 of subdivision c of  
26           subsection 1, the superintendent of public instruction also shall reduce  
27           the total tuition reported by the school district by the amount of tuition  
28           revenue received for the education of students not residing in the  
29           state and for which the state has not entered a cross-border education  
30           contract; and

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

(2) ~~After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.~~

5. ~~The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory 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:



- 1           a. All state aid received by the district in accordance with chapter 15.1-27 during the
- 2           2018-19 school year;
- 3           b. An amount equal to the property tax deducted by the superintendent of public
- 4           instruction to determine the 2018-19 state aid payment;
- 5           c. An amount equal to seventy-five percent of the revenue received by the school
- 6           district during the 2017-18 school year for the following revenue types:
- 7           (1) Revenue reported under code 2000 of the North Dakota school district
- 8           financial accounting and reporting manual, as developed by the
- 9           superintendent of public instruction in accordance with section 15.1-02-08;
- 10          (2) Mineral revenue received by the school district through direct allocation from
- 11          the state treasurer and not reported under code 2000 of the North Dakota
- 12          school district financial accounting and reporting manual, as developed by
- 13          the superintendent of public instruction in accordance with section
- 14          15.1-02-08;
- 15          (3) Tuition reported under code 1300 of the North Dakota school district
- 16          financial accounting and reporting manual, as developed by the
- 17          superintendent of public instruction in accordance with section 15.1-02-08,
- 18          with the exception of revenue received specifically for the operation of an
- 19          educational program provided at a residential treatment facility, tuition
- 20          received for the provision of an adult farm management program, and
- 21          beginning in the 2025-26 school year, eighty-five percent of tuition received
- 22          under an agreement to educate students from a school district on an
- 23          air force base with funding received through federal impact aid, until the
- 24          2026-27 school year, and each school year thereafter, when all tuition
- 25          received under an agreement to educate students from a school district on
- 26          an air force base with funding received through federal impact aid must be
- 27          excluded from the tuition calculation under this paragraph;
- 28          (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 29          of electric power;
- 30          (5) Revenue from payments in lieu of taxes on electricity generated from
- 31          sources other than coal; and

- 1                   (6) Revenue from the leasing of land acquired by the United States for which  
2                   compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 3           d. An amount equal to the total revenue received by the school district during the  
4           2017-18 school year for the following revenue types:
- 5                   (1) Mobile home tax revenue;
- 6                   (2) Telecommunications tax revenue; and
- 7                   (3) Revenue from payments in lieu of taxes and state reimbursement of the  
8                   homestead credit and disabled veterans credit.
- 9           e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
10           baseline funding for any school district that becomes an elementary district  
11           pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
12           be proportional to the number of weighted student units in the grades that are  
13           offered through another school district relative to the total number of weighted  
14           student units the school district offered in the year before the school district  
15           became an elementary district. The reduced baseline funding applies to the  
16           calculation of state aid for the first school year in which the school district  
17           becomes an elementary district and for each year thereafter. For districts that  
18           become an elementary district prior to the 2020-21 school year, the  
19           superintendent shall use the reduced baseline funding to calculate state aid for  
20           the 2020-21 school year and for each year thereafter.
- 21       2. a. The superintendent shall divide the district's baseline funding determined in  
22           subsection 1 by the district's 2017-18 weighted student units to determine the  
23           district's baseline funding per weighted student unit.
- 24           b. For any school district that becomes an elementary district pursuant to section  
25           15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
26           district's baseline funding per weighted student unit used to calculate state aid.  
27           The superintendent shall divide the district's baseline funding determined in  
28           subsection 1 by the district's weighted student units after the school district  
29           becomes an elementary district to determine the district's adjusted baseline  
30           funding per weighted student unit. The superintendent shall use the district's  
31           adjusted baseline funding per weighted student unit in the calculation of state aid

for the first school year in which the school district becomes an elementary district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars; or

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

b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ~~seventy-two~~eleven thousand seven hundred forty-six dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand ~~seventy-two~~seven hundred forty-six dollars; or

(3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five percent for the ~~2024-25~~2026-27 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.

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; and

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

(1) Tuition revenue shall be adjusted as follows:

(a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce

1 the total tuition reported by the school district by the amount of tuition  
2 revenue received for the education of students not residing in the  
3 state and for which the state has not entered a cross-border education  
4 contract; and

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

10 (2) After adjusting tuition revenue as provided in paragraph 1, the  
11 superintendent shall reduce all remaining revenues from all revenue types  
12 by the percentage of mills levied in ~~2022~~2024 by the school district for  
13 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
14 school district for all purposes.

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

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

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

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

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

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

1       **SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **48-01.2-02.1. Public improvement construction threshold.**

- 4       1. The threshold for bidding construction of a public improvement is two hundred fifty  
5       thousand dollars. The threshold for procuring plans, drawings, and specifications from  
6       an architect or engineer for construction of a public improvement is two hundred fifty  
7       thousand dollars.
- 8       2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision  
9       undertakes the construction of a public improvement and there is reason to believe  
10      that engineering or architectural services are necessary to protect the health, safety, or  
11      welfare of the public, the state or political subdivision shall consider consulting with an  
12      engineer or architect.

13      **SECTION 4. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15      **57-15-14.2. School district levies.**

- 16      1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
17      ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
18      mills on the taxable valuation of the district, for any purpose related to the provision of  
19      educational services. The proceeds of this levy must be deposited into the school  
20      district's general fund and used in accordance with this subsection. The proceeds may  
21      not be transferred into any other fund.
- 22      2. The board of a school district may levy no more than twelve mills on the taxable  
23      valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
24      this levy must be deposited into a special fund known as the miscellaneous fund and  
25      used in accordance with this subsection. The proceeds may not be transferred into  
26      any other fund.
- 27      3. The board of a school district may levy no more than three mills on the taxable  
28      valuation of the district for deposit into a special reserve fund, in accordance with  
29      chapter 57-19.
- 30      4. The board of a school district may levy no more than the number of mills necessary,  
31      on the taxable valuation of the district, for the payment of tuition, in accordance with

1 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
2 known as the tuition fund and used in accordance with this subsection. The proceeds  
3 may not be transferred into any other fund.

4 5. The board of a school district may levy no more than five mills on the taxable valuation  
5 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
6 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
7 deposited into a special fund known as the school safety plan fund and used in  
8 accordance with this subsection.

9 6. Nothing in this section limits the board of a school district from levying:

- 10 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
11 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
12 including the mills necessary to pay principal and interest on any bonded debt  
13 incurred under section 57-15-17.1 before July 1, 2013.

14 **SECTION 5. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

15 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
16 budget shall transfer the sum of \$100,000,000 from the foundation aid stabilization fund to the  
17 school construction assistance revolving loan fund during the biennium beginning July 1, 2025,  
18 and ending June 30, 2027.

19 **SECTION 6. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years  
20 beginning after December 31, 2024.

Sixty-ninth  
Legislative Assembly

NDCEL Testimony in favor of HB 1369 with request for amendments:

Chairman Heinert and members of the committee. I am here today in testimony of support with some requests for revision on the basis of need in this bill.

**Per Pupil Payment:** Our first request is to shift to a **4% / 4%** increase in the per pupil payment. Rationale: At the last interim ed-funding meeting, it was indicated that the increased input from the Common Schools Trust Fund as well as K12 turnback from last session would result in the ability to do a 4/4 with no increased input from the general fund.

**Declining Enrollment:** We have a need to address declining enrollment that many of our districts are experiencing. To account for this we have this definition amendment request:

1 15.1-27-03.1. WEIGHTED AVERAGE DAILY MEMBERSHIP - DETERMINATION.

(a) **Definition of ADM:** For the purposes of state education funding, "Average Daily Membership" (ADM) shall be defined as the total aggregate membership of students over a given period divided by the number of days in that period. It is determined to be based on on-time funding or three year rolling average or whatever is greater

2 (b) **Three-Year Rolling Average Calculation:** Notwithstanding any other provision of law, for the purpose of determining state aid, a three year rolling average shall be computed by averaging the ADM of the district for the current school year and the ADMs of the two immediately preceding school years.

© **On-Time Funding:** Notwithstanding any other provision of all, for the purpose of determining state aid, on-time funding is based on the student ADM count as of the North Dakota Department of Public Instruction Fall Enrollment Report.

**English Language Learners:** We have discussed often (and I have individuals from the field here to discuss specific school based instances) we have a tremendous need for additional funding for EL and for our at-risk student population. We have amendments requested for the bill to address those requests.

1 (1) On a test of English language proficiency approved by the superintendent of  
2 public instruction are determined to be least proficient and placed in any the first of  
3 six categories of proficiency; ~~and~~  
4 ~~(2) Are enrolled in a program of instruction for English language learners;~~  
5 ~~d. 0.28 the number of full-time equivalent students who:~~  
6 ~~(1) On a test of English language proficiency approved by the superintendent of~~  
7 ~~public instruction are determined to be more proficient than students placed~~  
8 ~~in the first of six categories of proficiency and therefore placed in the second~~  
9 ~~of six categories of proficiency; and~~  
10 ~~(2) Are enrolled in a program of instruction for English language learners;~~

**At Risk Student factor:**

0.025 the number of students ~~representing that percentage of the total number of~~



Sixty-ninth  
Legislative Assembly

~~students in average daily membership which is equivalent to the three year~~  
~~average percentage of students in grades three through eight who are eligible for~~  
~~free or reduced lunches under the Richard B. Russell National School Lunch Act~~  
~~[42 U.S.C. 1751 et seq.];~~ enrolled in average daily membership, in order to support at-risk student



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Education Committee Coteau AB Room, State Capitol

HB 1369  
2/4/2025

Relating to weighted average daily membership, the determination of state aid, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

4:04 p.m. Chairman Heinert called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

### Discussion Topics:

- Committee Action

4:06 p.m. Representative Hauck moved a Do Pass and rereferred to the Appropriations committee.

4:07 p.m. Representative Novak seconded the motion.

4:11 p.m. Representative Hauck Rescinded the motion.

4:11 p.m. Representative Hauck proposed adding the words "and bonding" to the bill.

4:12 p.m. Representative Heilman seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	AB
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion Carried: 13-0-1

4:13 p.m. Representative Hauck moved a Do Pass as Amended and rereferred to the Appropriations committee.

4:13 p.m. Representative Hager seconded the motion.

<b>Representatives</b>	<b>Vote</b>
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	AB
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion Carried: 13-0-1

Bill Carrier: Representative Heinert

4:13 p.m. Chairman Heinert closed the hearing.

*Leah Kuball, Committee Clerk*

February 4, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**HOUSE BILL NO. 1369**

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

- 1 A BILL for an Act to amend and reenact sections 15.1-27-03.1, 15.1-27-04.1, 48-01.2-02.1, and  
2 57-15-14.2 of the North Dakota Century Code, relating to weighted average daily membership,  
3 the determination of state aid, public improvement construction, and school district levies; to  
4 provide for a transfer; and to provide an effective date.

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

- 6 **SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-27-03.1. Weighted average daily membership - Determination.**

- 9 1. For each school district, the superintendent of public instruction shall multiply by:  
10 a. 1.00 the number of full-time equivalent students enrolled in an extended  
11 educational program in accordance with section 15.1-32-17;  
12 b. 0.60 the number of full-time equivalent students enrolled in a summer education  
13 program, including a migrant summer education program;  
14 c. 0.40 the number of full-time equivalent students who:  
15 (1) On a test of English language proficiency approved by the superintendent of  
16 public instruction are determined to be least proficient and placed in the first  
17 of six categories of proficiency; and  
18 (2) Are enrolled in a program of instruction for English language learners;  
19 d. 0.28 the number of full-time equivalent students who:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and

(2) Are enrolled in a program of instruction for English language learners;

e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;

f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;

i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

j. ~~0.0880~~ 0.095 the number of students enrolled in average daily membership, in order to support the provision of special education services;

k. 0.07 the number of full-time equivalent students who:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;



- 1           l.   0.025 the number of students representing that percentage of the total number of  
2           students in average daily membership which is equivalent to the three-year  
3           average percentage of students in grades three through eight who are eligible for  
4           free or reduced lunches under the Richard B. Russell National School Lunch Act  
5           [42 U.S.C. 1751 et seq.];
- 6           m.   0.002 the number of students enrolled in average daily membership in a school  
7           district that is a participating member of a regional education association meeting  
8           the requirements of chapter 15.1-09.1;
- 9           n.   1.0 the number of students by which the district's September tenth enrollment  
10          report exceeds the number of students in the prior year's average daily  
11          membership; and
- 12          o.   For districts paid based on September tenth enrollment in the prior year, 1.00 the  
13          number of students determined by deducting the number of students in the prior  
14          year's September tenth enrollment from the prior year's average daily  
15          membership. If the prior year's September tenth enrollment exceeds the prior  
16          year's average daily membership, then a deduction of 1.00 the number of excess  
17          students.
- 18          2.   The superintendent of public instruction shall determine each school district's weighted  
19          average daily membership by adding the products derived under subsection 1 to the  
20          district's average daily membership.

21          **SECTION 2. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
22          amended and reenacted as follows:

23          **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
24          **through June 30, 2025) (Retroactive application - See note)**

- 25          ~~1. To determine the amount of state aid payable to each district, the superintendent of~~  
26          ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
27          ~~funding consists of:~~
- 28               a.   ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
29               ~~2018-19 school year;~~
- 30               b.   ~~An amount equal to the property tax deducted by the superintendent of public~~  
31               ~~instruction to determine the 2018-19 state aid payment;~~

- 1           e.   An amount equal to seventy-five percent of the revenue received by the school  
2           district during the 2017-18 school year for the following revenue types:
- 3           (1)   Revenue reported under code 2000 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           (2)   Mineral revenue received by the school district through direct allocation from  
7               the state treasurer and not reported under code 2000 of the North Dakota  
8               school district financial accounting and reporting manual, as developed by  
9               the superintendent of public instruction in accordance with section  
10              15.1-02-08;  
11          (3)   Tuition reported under code 1300 of the North Dakota school district  
12              financial accounting and reporting manual, as developed by the  
13              superintendent of public instruction in accordance with section 15.1-02-08,  
14              with the exception of revenue received specifically for the operation of an  
15              educational program provided at a residential treatment facility, tuition  
16              received for the provision of an adult farm management program, and  
17              beginning in the 2021-22 school year, seventeen percent of tuition received  
18              under an agreement to educate students from a school district on an  
19              air force base with funding received through federal impact aid, and an  
20              additional seventeen percent of tuition received under an agreement to  
21              educate students from a school district on an air force base with funding  
22              received through federal impact aid each school year thereafter, until the  
23              2024-25 school year when sixty-eight percent of tuition received under an  
24              agreement to educate students from a school district on an air force base  
25              with funding received through federal impact aid must be excluded from the  
26              tuition calculation under this paragraph;
- 27          (4)   Revenue from payments in lieu of taxes on the distribution and transmission  
28              of electric power;
- 29          (5)   Revenue from payments in lieu of taxes on electricity generated from  
30              sources other than coal; and



- 1                   ~~(6) Revenue from the leasing of land acquired by the United States for which~~  
2                   ~~compensation is allocated to the state under 33 U.S.C. 701(e)(3);~~
- 3           d.   ~~An amount equal to the total revenue received by the school district during the~~  
4           ~~2017-18 school year for the following revenue types:~~
- 5                   ~~(1) Mobile home tax revenue;~~  
6                   ~~(2) Telecommunications tax revenue; and~~  
7                   ~~(3) Revenue from payments in lieu of taxes and state reimbursement of the~~  
8                   ~~homestead credit and disabled veterans credit; and~~
- 9           e.   ~~Beginning with the 2020-21 school year, the superintendent shall reduce the~~  
10           ~~baseline funding for any school district that becomes an elementary district~~  
11           ~~pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must~~  
12           ~~be proportional to the number of weighted student units in the grades that are~~  
13           ~~offered through another school district relative to the total number of weighted~~  
14           ~~student units the school district offered in the year before the school district~~  
15           ~~became an elementary district. The reduced baseline funding applies to the~~  
16           ~~calculation of state aid for the first school year in which the school district~~  
17           ~~becomes an elementary district and for each year thereafter. For districts that~~  
18           ~~become an elementary district prior to the 2020-21 school year, the~~  
19           ~~superintendent shall use the reduced baseline funding to calculate state aid for~~  
20           ~~the 2020-21 school year and for each year thereafter.~~
- 21       2.   a.   ~~The superintendent shall divide the district's baseline funding determined in~~  
22           ~~subsection 1 by the district's 2017-18 weighted student units to determine the~~  
23           ~~district's baseline funding per weighted student unit.~~
- 24           b.   ~~For any school district that becomes an elementary district pursuant to section~~  
25           ~~15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the~~  
26           ~~district's baseline funding per weighted student unit used to calculate state aid.~~  
27           ~~The superintendent shall divide the district's baseline funding determined in~~  
28           ~~subsection 1 by the district's weighted student units after the school district~~  
29           ~~becomes an elementary district to determine the district's adjusted baseline~~  
30           ~~funding per weighted student unit. The superintendent shall use the district's~~  
31           ~~adjusted baseline funding per weighted student unit in the calculation of state aid~~

- 1                   for the first school year in which the school district becomes an elementary  
2                   district and for each year thereafter.
- 3           e.   ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~  
4                   superintendent shall reduce the district's baseline funding per weighted student  
5                   unit. Each year the superintendent shall calculate the amount by which the  
6                   district's baseline funding per weighted student unit exceeds the payment per  
7                   weighted student unit provided in subsection 3. For the 2023-24 school year the  
8                   superintendent shall reduce the district's baseline funding per weighted student  
9                   unit by forty percent of the amount by which the district's baseline funding per  
10                  weighted student unit exceeds the payment per weighted student unit for the  
11                  2023-24 school year. For each year thereafter, the reduction percentage is  
12                  increased by an additional fifteen percent. However, the district's baseline funding  
13                  per weighted student unit, after the reduction, may not be less than the payment  
14                  per weighted student unit provided in subsection 3.
- 15       3.   a.   For the 2023-24 school year, the superintendent shall calculate state aid as the  
16                  greater of:
- 17                   (1)   The district's weighted student units multiplied by ten thousand six hundred  
18                   forty-six dollars;
- 19                   (2)   One hundred two percent of the district's baseline funding per weighted  
20                   student unit, as established in subsection 2, multiplied by the district's  
21                   weighted student units, not to exceed the district's 2017-18 baseline  
22                   weighted student units, plus any weighted student units in excess of the  
23                   2017-18 baseline weighted student units multiplied by ten thousand  
24                   six hundred forty-six dollars; or
- 25                   (3)   The district's baseline funding as established in subsection 1 less the  
26                   amount in paragraph 1, with the difference reduced by forty percent and  
27                   then the difference added to the amount determined in paragraph 1.
- 28       b.   For the 2024-25 school year and each school year thereafter, the superintendent  
29                  shall calculate state aid as the greater of:
- 30                   (1)   The district's weighted student units multiplied by eleven thousand  
31                   seventy-two dollars;



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- 1                   (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
2                   ~~student unit, as established in subsection 2, multiplied by the district's~~  
3                   ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
4                   ~~weighted student units, plus any weighted student units in excess of the~~  
5                   ~~2017-18 baseline weighted student units multiplied by eleven thousand~~  
6                   ~~seventy-two dollars; or~~
- 7                   (3) ~~The district's baseline funding as established in subsection 1 less the~~  
8                   ~~amount in paragraph 1, with the difference reduced by fifty-five percent for~~  
9                   ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~  
10                  ~~percent each school year thereafter until the difference is reduced to zero,~~  
11                  ~~and then the difference added to the amount determined in paragraph 1.~~
- 12                  4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
13                  ~~public instruction shall:~~
- 14                  a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
15                  ~~school district, except the amount in dollars subtracted for purposes of this~~  
16                  ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
17                  ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
18                  ~~section 15.1-27-04.3; and~~
- 19                  b. ~~Subtract an amount equal to seventy-five percent of all revenue types listed in~~  
20                  ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
21                  ~~seventy-five percent of all revenue types, the superintendent of public instruction~~  
22                  ~~shall adjust revenues as follows:~~
- 23                  (1) ~~Tuition revenue shall be adjusted as follows:~~
- 24                         (a) ~~In addition to deducting tuition revenue received specifically for the~~  
25                         ~~operation of an educational program provided at a residential~~  
26                         ~~treatment facility, tuition revenue received for the provision of an adult~~  
27                         ~~farm management program, tuition received for the education of~~  
28                         ~~high-cost and special education students, and tuition received under~~  
29                         ~~an agreement to educate students from a school district on an~~  
30                         ~~air force base with funding received through federal impact aid as~~  
31                         ~~directed each school year in paragraph 3 of subdivision c of~~

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

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

11                    (2) After adjusting tuition revenue as provided in paragraph 1, the  
12                    superintendent shall reduce all remaining revenues from all revenue types  
13                    by the percentage of mills levied in 2022 by the school district for sinking  
14                    and interest relative to the total mills levied in 2022 by the school district for  
15                    all purposes.

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

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

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

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

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

30                    c. The number of mills levied in the previous calendar year by each school district  
31                    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 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 2025-26 school year, eighty-five 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, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on

- 1 an air force base with funding received through federal impact aid must be  
2 excluded from the tuition calculation under this paragraph;
- 3 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
4 of electric power;
- 5 (5) Revenue from payments in lieu of taxes on electricity generated from  
6 sources other than coal; and
- 7 (6) Revenue from the leasing of land acquired by the United States for which  
8 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 9 d. An amount equal to the total revenue received by the school district during the  
10 2017-18 school year for the following revenue types:
- 11 (1) Mobile home tax revenue;
- 12 (2) Telecommunications tax revenue; and
- 13 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
14 homestead credit and disabled veterans credit.
- 15 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
16 baseline funding for any school district that becomes an elementary district  
17 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
18 be proportional to the number of weighted student units in the grades that are  
19 offered through another school district relative to the total number of weighted  
20 student units the school district offered in the year before the school district  
21 became an elementary district. The reduced baseline funding applies to the  
22 calculation of state aid for the first school year in which the school district  
23 becomes an elementary district and for each year thereafter. For districts that  
24 become an elementary district prior to the 2020-21 school year, the  
25 superintendent shall use the reduced baseline funding to calculate state aid for  
26 the 2020-21 school year and for each year thereafter.
- 27 2. a. The superintendent shall divide the district's baseline funding determined in  
28 subsection 1 by the district's 2017-18 weighted student units to determine the  
29 district's baseline funding per weighted student unit.
- 30 b. For any school district that becomes an elementary district pursuant to section  
31 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the



- 1 district's baseline funding per weighted student unit used to calculate state aid.
- 2 The superintendent shall divide the district's baseline funding determined in
- 3 subsection 1 by the district's weighted student units after the school district
- 4 becomes an elementary district to determine the district's adjusted baseline
- 5 funding per weighted student unit. The superintendent shall use the district's
- 6 adjusted baseline funding per weighted student unit in the calculation of state aid
- 7 for the first school year in which the school district becomes an elementary
- 8 district and for each year thereafter.
- 9 c. Beginning with the 2021-22 school year and for each school year thereafter, the
- 10 superintendent shall reduce the district's baseline funding per weighted student
- 11 unit. Each year the superintendent shall calculate the amount by which the
- 12 district's baseline funding per weighted student unit exceeds the payment per
- 13 weighted student unit provided in subsection 3. For the 2023-24 school year the
- 14 superintendent shall reduce the district's baseline funding per weighted student
- 15 unit by forty percent of the amount by which the district's baseline funding per
- 16 weighted student unit exceeds the payment per weighted student unit for the
- 17 2023-24 school year. For each year thereafter, the reduction percentage is
- 18 increased by an additional fifteen percent. However, the district's baseline funding
- 19 per weighted student unit, after the reduction, may not be less than the payment
- 20 per weighted student unit provided in subsection 3.
- 21 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid
- 22 as the greater of:
- 23 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~
- 24 forty-six eleven thousand four hundred four dollars;
- 25 (2) One hundred two percent of the district's baseline funding per weighted
- 26 student unit, as established in subsection 2, multiplied by the district's
- 27 weighted student units, not to exceed the district's 2017-18 baseline
- 28 weighted student units, plus any weighted student units in excess of the
- 29 2017-18 baseline weighted student units multiplied by ~~ten thousand~~
- 30 six hundred forty-six eleven thousand four hundred four dollars; or

- 1 (3) The district's baseline funding as established in subsection 1 less the  
2 amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
3 and then the difference added to the amount determined in paragraph 1.
- 4 b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
5 superintendent shall calculate state aid as the greater of:
- 6 (1) The district's weighted student units multiplied by eleven thousand  
7 ~~seventy-two~~seventy-seven hundred forty-six dollars;
- 8 (2) One hundred two percent of the district's baseline funding per weighted  
9 student unit, as established in subsection 2, multiplied by the district's  
10 weighted student units, not to exceed the district's 2017-18 baseline  
11 weighted student units, plus any weighted student units in excess of the  
12 2017-18 baseline weighted student units multiplied by eleven thousand  
13 ~~seventy-two~~seventy-seven hundred forty-six dollars; or
- 14 (3) The district's baseline funding as established in subsection 1 less the  
15 amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
16 percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
17 increasing by fifteen percent each school year thereafter until the difference  
18 is reduced to zero, and then the difference added to the amount determined  
19 in paragraph 1.
- 20 4. After determining the product in accordance with subsection 3, the superintendent of  
21 public instruction shall:
- 22 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23 school district; and
- 24 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
25 ~~subdivisions e and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
26 subsection 1 and revenue from payments in lieu of taxes. Before determining the  
27 deduction for seventy-five percent of all revenue types, the superintendent of  
28 public instruction shall adjust revenues as follows:
- 29 (1) Tuition revenue shall be adjusted as follows:
- 30 (a) In addition to deducting tuition revenue received specifically for the  
31 operation of an educational program provided at a residential



- 1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and
- 12 (b) The superintendent of public instruction also shall reduce the total  
13 tuition reported by admitting school districts meeting the requirements  
14 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
15 of tuition revenue received for the education of students residing in an  
16 adjacent school district.
- 17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.
- 22 5. The amount remaining after the computation required under subsection 4 is the  
23 amount of state aid to which a school district is entitled, subject to any other statutory  
24 requirements or limitations.
- 25 6. On or before June thirtieth of each year, the school board shall certify to the  
26 superintendent of public instruction the final average daily membership for the current  
27 school year.
- 28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 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.

**SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, ~~and~~ specifications, and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 4. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and

- 1 used in accordance with this subsection. The proceeds may not be transferred into  
2 any other fund.
- 3 3. The board of a school district may levy no more than three mills on the taxable  
4 valuation of the district for deposit into a special reserve fund, in accordance with  
5 chapter 57-19.
- 6 4. The board of a school district may levy no more than the number of mills necessary,  
7 on the taxable valuation of the district, for the payment of tuition, in accordance with  
8 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
9 known as the tuition fund and used in accordance with this subsection. The proceeds  
10 may not be transferred into any other fund.
- 11 5. The board of a school district may levy no more than five mills on the taxable valuation  
12 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
13 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
14 deposited into a special fund known as the school safety plan fund and used in  
15 accordance with this subsection.
- 16 6. Nothing in this section limits the board of a school district from levying:
- 17 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- 18 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
19 including the mills necessary to pay principal and interest on any bonded debt  
20 incurred under section 57-15-17.1 before July 1, 2013.

21 **SECTION 5. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

22 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
23 budget shall transfer the sum of \$100,000,000 from the foundation aid stabilization fund to the  
24 school construction assistance revolving loan fund during the biennium beginning July 1, 2025,  
25 and ending June 30, 2027.

26 **SECTION 6. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years  
27 beginning after December 31, 2024.



**REPORT OF STANDING COMMITTEE  
HB 1369**

**Education Committee (Rep. Heinert, Chairman)** recommends **AMENDMENTS** ([25.0716.02001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1369 was placed on the Sixth order on the calendar.

**2025 HOUSE APPROPRIATIONS**

**HB 1369**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

HB 1369  
2/20/2025

Relating to septic systems and the environmental quality advisory committee, relating to the powers and duties of the department of environmental quality, boards of health, and public health units, relating to the onsite wastewater recycling technical committee; to provide an appropriation; to provide for a transfer; and to provide an effective date.

3:17 p.m. Chairman Vigesaa Called the meeting to order

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

### **Discussion Topics:**

- School construction loan fund
- Effects of Inflation

3:19 p.m. Representative Heinert introduced the bill.

3:28 p.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle for Risa Berube, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1369  
2/20/2025

Relating to weighted average daily membership, the determination of state aid, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

7:34 p.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Representative Louser.

### Discussion Topics:

- Committee Action

7:34 p.m. Chairman Vigesaa introduced the bill.

7:38 p.m. Representative Nathe moved to amend 3 and 3 to 2 and 2, change Foundation Aid to Revolving Loan Fund, and on last page \$100 million to \$75 million.

7:38 p.m. Representative Kempenich seconded the motion to amend.

7:39 p.m. Roll call vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	N
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y

Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

7:39 p.m. Motion to amend passed 20-2-1.

7:43 p.m. Representative J. Nelson moved to further amend #38271.

7:43 p.m. Representative Richter seconded the motion.

7:49 p.m. Roll call vote

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	N
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	N
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

7:49 p.m. Motion passed to further amend 20-2-1.

7:50 p.m. Representative Nathe moved Do Pass as amended.

7:50 p.m. Representative Stemen seconded the motion.

7:50 p.m. Roll Call Vote



<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

7:50 p.m. Motion passed 22-0-1.

7:50 p.m. Representative Nathe will carry the bill.

7:51 p.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle for Risa Berube, Committee Clerk*

*Bill was reconsidered on 02/21/25.*

Amendment to HB 1369

**SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. Weighted average daily membership - Determination.

**a. Definition of Average Daily Membership:** For the purposes of state education funding, "Average Daily Membership" (ADM) shall be defined as the total aggregate membership of students over a given period divided by the number of days in that period. It is determined to be based on on-time funding or three-year rolling average or whatever is greater

**c. Three-Year Rolling Average Calculation:** Notwithstanding any other provision of law, for the purpose of determining state aid, a three-year rolling average shall be computed by averaging the Average Daily Membership (ADM) of the district for the current school year and the Average Daily Memberships of the <sup>three</sup> immediately preceding school years.

**c. On-Time Funding:** Notwithstanding any other provision of all, for the purpose of determining state aid, on-time funding is based on the student Average Daily membership count as of the North Dakota Department of Public Instruction Fall Enrollment Report.

**Section 2.** 1. For each school district, the superintendent of public instruction shall multiply by:

- a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
- b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1369  
2/21/2025

A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-27-35, 48-01.2-02.1, and 57-15-14.2 of the North Dakota Century Code, relating to the determination of state aid, the calculation of average daily membership, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

3:30 p.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Mitskog, Sanford.

### Discussion Topics:

- Committee Action

3:31 p.m. Representative Monson moved to reconsider action.

3:31 p.m. Representative Martinson seconded the motion.

3:31 p.m. Voice vote on Reconsider. Motion passed.

3:34 p.m. Representative J. Nelson moved to amend LC #25.0716.03001 and testimony #38333.

3:34 p.m. Representative Nathe seconded the motion.

3:35 p.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	AB
Representative David Monson	Y

Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	AB
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

3:35 p.m. Motion passed 20-0-3.

3:37 p.m. Representative Nathe moved a Do Pass as amended.

3:37 p.m. Representative Swiontek seconded the motion.

3:37 p.m. Roll Call Vote

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	AB
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	AB
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

3:37 p.m. Motion passed 20-0-3. Representative Nathe will carry.

3:37 p.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle for Risa Berube, Committee Clerk*

February 21, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1369**

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

2-24-25  
JB 10/16

A BILL for an Act to amend and reenact sections ~~15.1-27-03.1~~, 15.1-27-04.1, 15.1-27-35,  
48-01.2-02.1, and 57-15-14.2 of the North Dakota Century Code, relating to ~~weighted average~~  
~~daily membership~~, the determination of state aid, the calculation of average daily membership,  
public improvement construction, and school district levies; to provide for a transfer; and to  
provide an effective date.

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

~~**SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
amended and reenacted as follows:~~

~~**15.1-27-03.1. Weighted average daily membership - Determination.**~~

~~1. For each school district, the superintendent of public instruction shall multiply by:~~

~~a. 1.00 the number of full-time equivalent students enrolled in an extended  
educational program in accordance with section 15.1-32-17;~~

~~b. 0.60 the number of full-time equivalent students enrolled in a summer education  
program, including a migrant summer education program;~~

~~c. 0.40 the number of full-time equivalent students who:~~

~~(1) On a test of English language proficiency approved by the superintendent of  
public instruction are determined to be least proficient and placed in the first  
of six categories of proficiency; and~~

~~(2) Are enrolled in a program of instruction for English language learners;~~

~~d. 0.28 the number of full-time equivalent students who:~~



2016

- 1 ~~(1) On a test of English language proficiency approved by the superintendent of~~  
2 ~~public instruction are determined to be more proficient than students placed~~  
3 ~~in the first of six categories of proficiency and therefore placed in the second~~  
4 ~~of six categories of proficiency; and~~
- 5 ~~(2) Are enrolled in a program of instruction for English language learners;~~  
6 ~~e. 0.25 the number of full-time equivalent students under the age of twenty-one~~  
7 ~~enrolled in grades nine through twelve in an alternative high school;~~  
8 ~~f. 0.20 the number of full-time equivalent students enrolled in a home-based~~  
9 ~~education program and monitored by the school district under chapter 15.1-23;~~  
10 ~~g. 0.17 the number of full-time equivalent students enrolled in an early childhood~~  
11 ~~special education program;~~  
12 ~~h. 0.15 the number of full-time equivalent students in grades six through eight~~  
13 ~~enrolled in an alternative education program for at least an average of fifteen~~  
14 ~~hours per week;~~  
15 ~~i. 0.10 the number of students enrolled in average daily membership, if the district~~  
16 ~~has fewer than one hundred students enrolled in average daily membership and~~  
17 ~~the district consists of an area greater than two hundred seventy-five square~~  
18 ~~miles [19424.9 hectares], provided that any school district consisting of an area~~  
19 ~~greater than six hundred square miles [155399 hectares] and enrolling fewer than~~  
20 ~~fifty students in average daily membership must be deemed to have an~~  
21 ~~enrollment equal to fifty students in average daily membership;~~  
22 ~~j. 0.0880.005 the number of students enrolled in average daily membership, in~~  
23 ~~order to support the provision of special education services;~~  
24 ~~k. 0.07 the number of full-time equivalent students who:~~  
25 ~~(1) On a test of English language proficiency approved by the superintendent of~~  
26 ~~public instruction are determined to be more proficient than students placed~~  
27 ~~in the second of six categories of proficiency and therefore placed in the~~  
28 ~~third of six categories of proficiency;~~  
29 ~~(2) Are enrolled in a program of instruction for English language learners; and~~  
30 ~~(3) Have not been in the third of six categories of proficiency for more than~~  
31 ~~three years;~~

- ~~l. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];~~
- ~~m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1;~~
- ~~n. 1.0 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership; and~~
- ~~o. For districts paid based on September tenth enrollment in the prior year, 1.00 the number of students determined by deducting the number of students in the prior year's September tenth enrollment from the prior year's average daily membership. If the prior year's September tenth enrollment exceeds the prior year's average daily membership, then a deduction of 1.00 the number of excess students.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**SECTION 1. 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) (Retroactive application – [See note](#))**

- ~~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;~~



- 1 e. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
2 ~~district during the 2017-18 school year for the following revenue types:~~
- 3 (1) ~~Revenue reported under code 2000 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 (2) ~~Mineral revenue received by the school district through direct allocation from~~  
7 ~~the state treasurer and not reported under code 2000 of the North Dakota~~  
8 ~~school district financial accounting and reporting manual, as developed by~~  
9 ~~the superintendent of public instruction in accordance with section~~  
10 ~~15.1-02-08;~~
- 11 (3) ~~Tuition reported under code 1300 of the North Dakota school district~~  
12 ~~financial accounting and reporting manual, as developed by the~~  
13 ~~superintendent of public instruction in accordance with section 15.1-02-08,~~  
14 ~~with the exception of revenue received specifically for the operation of an~~  
15 ~~educational program provided at a residential treatment facility, tuition~~  
16 ~~received for the provision of an adult farm management program, and~~  
17 ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~  
18 ~~under an agreement to educate students from a school district on an~~  
19 ~~air force base with funding received through federal impact aid, and an~~  
20 ~~additional seventeen percent of tuition received under an agreement to~~  
21 ~~educate students from a school district on an air force base with funding~~  
22 ~~received through federal impact aid each school year thereafter, until the~~  
23 ~~2024-25 school year when sixty-eight percent of tuition received under an~~  
24 ~~agreement to educate students from a school district on an air force base~~  
25 ~~with funding received through federal impact aid must be excluded from the~~  
26 ~~tuition calculation under this paragraph;~~
- 27 (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission~~  
28 ~~of electric power;~~
- 29 (5) ~~Revenue from payments in lieu of taxes on electricity generated from~~  
30 ~~sources other than coal; and~~



- 1                   (6) ~~Revenue from the leasing of land acquired by the United States for which~~  
2                   ~~compensation is allocated to the state under 33 U.S.C. 701(c)(3);~~
- 3           d. ~~An amount equal to the total revenue received by the school district during the~~  
4           ~~2017-18 school year for the following revenue types:~~
- 5                   (1) ~~Mobile home tax revenue;~~  
6                   (2) ~~Telecommunications tax revenue; and~~  
7                   (3) ~~Revenue from payments in lieu of taxes and state reimbursement of the~~  
8                   ~~homestead credit and disabled veterans credit; and~~
- 9           e. ~~Beginning with the 2020-21 school year, the superintendent shall reduce the~~  
10           ~~baseline funding for any school district that becomes an elementary district~~  
11           ~~pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must~~  
12           ~~be proportional to the number of weighted student units in the grades that are~~  
13           ~~offered through another school district relative to the total number of weighted~~  
14           ~~student units the school district offered in the year before the school district~~  
15           ~~became an elementary district. The reduced baseline funding applies to the~~  
16           ~~calculation of state aid for the first school year in which the school district~~  
17           ~~becomes an elementary district and for each year thereafter. For districts that~~  
18           ~~become an elementary district prior to the 2020-21 school year, the~~  
19           ~~superintendent shall use the reduced baseline funding to calculate state aid for~~  
20           ~~the 2020-21 school year and for each year thereafter.~~
- 21       2.   a. ~~The superintendent shall divide the district's baseline funding determined in~~  
22           ~~subsection 1 by the district's 2017-18 weighted student units to determine the~~  
23           ~~district's baseline funding per weighted student unit.~~
- 24           b. ~~For any school district that becomes an elementary district pursuant to section~~  
25           ~~15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the~~  
26           ~~district's baseline funding per weighted student unit used to calculate state aid.~~  
27           ~~The superintendent shall divide the district's baseline funding determined in~~  
28           ~~subsection 1 by the district's weighted student units after the school district~~  
29           ~~becomes an elementary district to determine the district's adjusted baseline~~  
30           ~~funding per weighted student unit. The superintendent shall use the district's~~  
31           ~~adjusted baseline funding per weighted student unit in the calculation of state aid~~

1 for the first school year in which the school district becomes an elementary  
2 district and for each year thereafter.

3 e. ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~  
4 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
5 ~~unit. Each year the superintendent shall calculate the amount by which the~~  
6 ~~district's baseline funding per weighted student unit exceeds the payment per~~  
7 ~~weighted student unit provided in subsection 3. For the 2023-24 school year the~~  
8 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
9 ~~unit by forty percent of the amount by which the district's baseline funding per~~  
10 ~~weighted student unit exceeds the payment per weighted student unit for the~~  
11 ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
12 ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
13 ~~per weighted student unit, after the reduction, may not be less than the payment~~  
14 ~~per weighted student unit provided in subsection 3.~~

15 ~~3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the~~  
16 ~~greater of:~~

17 ~~(1) The district's weighted student units multiplied by ten thousand six hundred~~  
18 ~~forty-six dollars;~~

19 ~~(2) One hundred two percent of the district's baseline funding per weighted~~  
20 ~~student unit, as established in subsection 2, multiplied by the district's~~  
21 ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
22 ~~weighted student units, plus any weighted student units in excess of the~~  
23 ~~2017-18 baseline weighted student units multiplied by ten thousand~~  
24 ~~six hundred forty-six dollars; or~~

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

28 ~~b. For the 2024-25 school year and each school year thereafter, the superintendent~~  
29 ~~shall calculate state aid as the greater of:~~

30 ~~(1) The district's weighted student units multiplied by eleven thousand~~  
31 ~~seventy-two dollars;~~



7 of 16

- 1                   (2) ~~One hundred two percent of the district's baseline funding per weighted~~

2                   ~~student unit, as established in subsection 2, multiplied by the district's~~

3                   ~~weighted student units, not to exceed the district's 2017-18 baseline~~

4                   ~~weighted student units, plus any weighted student units in excess of the~~

5                   ~~2017-18 baseline weighted student units multiplied by eleven thousand~~

6                   ~~seventy two dollars; or~~

7                   (3) ~~The district's baseline funding as established in subsection 1 less the~~

8                   ~~amount in paragraph 1, with the difference reduced by fifty five percent for~~

9                   ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~

10                  ~~percent each school year thereafter until the difference is reduced to zero,~~

11                  ~~and then the difference added to the amount determined in paragraph 1.~~

12                  4. ~~After determining the product in accordance with subsection 3, the superintendent of~~

13                  ~~public instruction shall:~~

14                  a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~

15                  ~~school district, except the amount in dollars subtracted for purposes of this~~

16                  ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~

17                  ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~

18                  ~~section 15.1-27-04.3; and~~

19                  b. ~~Subtract an amount equal to seventy five percent of all revenue types listed in~~

20                  ~~subdivisions c and d of subsection 1. Before determining the deduction for~~

21                  ~~seventy five percent of all revenue types, the superintendent of public instruction~~

22                  ~~shall adjust revenues as follows:~~

23                  (1) ~~Tuition revenue shall be adjusted as follows:~~

24                       (a) ~~In addition to deducting tuition revenue received specifically for the~~

25                       ~~operation of an educational program provided at a residential~~

26                       ~~treatment facility, tuition revenue received for the provision of an adult~~

27                       ~~farm management program, tuition received for the education of~~

28                       ~~high cost and special education students, and tuition received under~~

29                       ~~an agreement to educate students from a school district on an~~

30                       ~~air force base with funding received through federal impact aid as~~

31                       ~~directed each school year in paragraph 3 of subdivision c of~~

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

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

11                    (2) After adjusting tuition revenue as provided in paragraph 1, the  
12                    superintendent shall reduce all remaining revenues from all revenue types  
13                    by the percentage of mills levied in 2022 by the school district for sinking  
14                    and interest relative to the total mills levied in 2022 by the school district for  
15                    all purposes.

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

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

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

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

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

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



9/2/16

**~~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 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 2025-26 school year, eighty-five 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, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on

- 1 an air force base with funding received through federal impact aid must be  
2 excluded from the tuition calculation under this paragraph;
- 3 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
4 of electric power;
- 5 (5) Revenue from payments in lieu of taxes on electricity generated from  
6 sources other than coal; and
- 7 (6) Revenue from the leasing of land acquired by the United States for which  
8 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 9 d. An amount equal to the total revenue received by the school district during the  
10 2017-18 school year for the following revenue types:
- 11 (1) Mobile home tax revenue;
- 12 (2) Telecommunications tax revenue; and
- 13 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
14 homestead credit and disabled veterans credit; and
- 15 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
16 baseline funding for any school district that becomes an elementary district  
17 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
18 be proportional to the number of weighted student units in the grades that are  
19 offered through another school district relative to the total number of weighted  
20 student units the school district offered in the year before the school district  
21 became an elementary district. The reduced baseline funding applies to the  
22 calculation of state aid for the first school year in which the school district  
23 becomes an elementary district and for each year thereafter. For districts that  
24 become an elementary district prior to the 2020-21 school year, the  
25 superintendent shall use the reduced baseline funding to calculate state aid for  
26 the 2020-21 school year and for each year thereafter.
- 27 2. a. The superintendent shall divide the district's baseline funding determined in  
28 subsection 1 by the district's 2017-18 weighted student units to determine the  
29 district's baseline funding per weighted student unit.
- 30 b. For any school district that becomes an elementary district pursuant to section  
31 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the



district's baseline funding per weighted student unit used to calculate state aid.

The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four~~eleven thousand two hundred ninety-three~~ dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ~~ten thousand~~

1 ~~six hundred forty-six~~eleven thousand four hundred foureleven thousand two  
2 hundred ninety-three dollars; or

3 (3) The district's baseline funding as established in subsection 1 less the  
4 amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
5 and then the difference added to the amount determined in paragraph 1.

6 b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
7 superintendent shall calculate state aid as the greater of:

8 (1) The district's weighted student units multiplied by eleven thousand  
9 ~~seventy-two~~seven hundred forty-sixfive hundred nineteen dollars;

10 (2) One hundred two percent of the district's baseline funding per weighted  
11 student unit, as established in subsection 2, multiplied by the district's  
12 weighted student units, not to exceed the district's 2017-18 baseline  
13 weighted student units, plus any weighted student units in excess of the  
14 2017-18 baseline weighted student units multiplied by eleven thousand  
15 ~~seventy-two~~seven hundred forty-sixfive hundred nineteen dollars; or

16 (3) The district's baseline funding as established in subsection 1 less the  
17 amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
18 percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
19 increasing by fifteen percent each school year thereafter until the difference  
20 is reduced to zero, and then the difference added to the amount determined  
21 in paragraph 1.

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

24 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
25 school district; and

26 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
27 ~~subdivisions c and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
28 subsection 1 and revenue from payments in lieu of taxes. Before determining the  
29 deduction for seventy-five percent of all revenue types, the superintendent of  
30 public instruction shall adjust revenues as follows:

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



- 1 (a) In addition to deducting tuition revenue received specifically for the  
2 operation of an educational program provided at a residential  
3 treatment facility, tuition revenue received for the provision of an adult  
4 farm management program, tuition received for the education of  
5 high-cost and special education students, and tuition received under  
6 an agreement to educate students from a school district on an  
7 air force base with funding received through federal impact aid as  
8 directed each school year in paragraph 3 of subdivision c of  
9 subsection 1, the superintendent of public instruction also shall reduce  
10 the total tuition reported by the school district by the amount of tuition  
11 revenue received for the education of students not residing in the  
12 state and for which the state has not entered a cross-border education  
13 contract; and
- 14 (b) The superintendent of public instruction also shall reduce the total  
15 tuition reported by admitting school districts meeting the requirements  
16 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
17 of tuition revenue received for the education of students residing in an  
18 adjacent school district.
- 19 (2) After adjusting tuition revenue as provided in paragraph 1, the  
20 superintendent shall reduce all remaining revenues from all revenue types  
21 by the percentage of mills levied in ~~2022~~2024 by the school district for  
22 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
23 school district for all purposes.
- 24 5. The amount remaining after the computation required under subsection 4 is the  
25 amount of state aid to which a school district is entitled, subject to any other statutory  
26 requirements or limitations.
- 27 6. On or before June thirtieth of each year, the school board shall certify to the  
28 superintendent of public instruction the final average daily membership for the current  
29 school year.

14 of 16

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.

**SECTION 2. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:
  - a. Nine hundred sixty-two and one-half hours for elementary school students; or
  - b. One thousand fifty hours for middle and high school students.
2. For purposes of calculating average daily membership:
  - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
  - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
  - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.



- d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:

- a. The amount calculated in subsections 1 and 2 of this section; or  
b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.

**SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, and specifications, and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 4. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of

1 this levy must be deposited into a special fund known as the miscellaneous fund and  
2 used in accordance with this subsection. The proceeds may not be transferred into  
3 any other fund.

4 3. The board of a school district may levy no more than three mills on the taxable  
5 valuation of the district for deposit into a special reserve fund, in accordance with  
6 chapter 57-19.

7 4. The board of a school district may levy no more than the number of mills necessary,  
8 on the taxable valuation of the district, for the payment of tuition, in accordance with  
9 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
10 known as the tuition fund and used in accordance with this subsection. The proceeds  
11 may not be transferred into any other fund.

12 5. The board of a school district may levy no more than five mills on the taxable valuation  
13 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
14 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
15 deposited into a special fund known as the school safety plan fund and used in  
16 accordance with this subsection.

17 6. Nothing in this section limits the board of a school district from levying:  
18 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
19 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
20 including the mills necessary to pay principal and interest on any bonded debt  
21 incurred under section 57-15-17.1 before July 1, 2013.

22 **SECTION 5. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

23 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
24 budget shall transfer the sum of ~~\$100,000,000~~ \$75,000,000 from the foundation aid stabilization  
25 fund to the school construction assistance revolving loan fund during the biennium beginning  
26 July 1, 2025, and ending June 30, 2027.

27 **SECTION 6. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years  
28 beginning after December 31, 2024.

**REPORT OF STANDING COMMITTEE  
ENGROSSED HB 1369**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS** ([25.0716.03001](#)) and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). HB 1369 was placed on the Sixth order on the calendar.



25.0716.03001  
Title.

Prepared by the Legislative Council  
staff for House Appropriations  
Committee

February 21, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO FIRST ENGROSSMENT**

### **ENGROSSED HOUSE BILL NO. 1369**

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

1 A BILL for an Act to amend and reenact sections 15.1-27-03.1, 15.1-27-04.1, 15.1-27-35,  
2 48-01.2-02.1, and 57-15-14.2 of the North Dakota Century Code, relating to weighted average  
3 daily membership, the determination of state aid, the calculation of average daily membership,  
4 public improvement construction, and school district levies; to provide for a transfer; and to  
5 provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

#### **9 15.1-27-03.1. Weighted average daily membership - Determination.**

- 10 1. For each school district, the superintendent of public instruction shall multiply by:
  - 11 a. 1.00 the number of full-time equivalent students enrolled in an extended  
12 educational program in accordance with section 15.1-32-17;
  - 13 b. 0.60 the number of full-time equivalent students enrolled in a summer education  
14 program, including a migrant summer education program;
  - 15 c. 0.40 the number of full-time equivalent students who:
    - 16 (1) On a test of English language proficiency approved by the superintendent of  
17 public instruction are determined to be least proficient and placed in the first  
18 of six categories of proficiency; and
    - 19 (2) Are enrolled in a program of instruction for English language learners;
  - 20 d. 0.28 the number of full-time equivalent students who:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and

(2) Are enrolled in a program of instruction for English language learners;

e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;

f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;

i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

j. ~~0.0880.0950.088~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;

k. 0.07 the number of full-time equivalent students who:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;



- 1           l. 0.025 the number of students representing that percentage of the total number of  
2           students in average daily membership which is equivalent to the three-year  
3           average percentage of students in grades three through eight who are eligible for  
4           free or reduced lunches under the Richard B. Russell National School Lunch Act  
5           [42 U.S.C. 1751 et seq.];
- 6           m. 0.002 the number of students enrolled in average daily membership in a school  
7           district that is a participating member of a regional education association meeting  
8           the requirements of chapter 15.1-09.1;
- 9           n. 1.0 the number of students by which the district's September tenth enrollment  
10          report exceeds the number of students in the prior year's average daily  
11          membership; and
- 12          o. For districts paid based on September tenth enrollment in the prior year, 1.00 the  
13          number of students determined by deducting the number of students in the prior  
14          year's September tenth enrollment from the prior year's average daily  
15          membership. If the prior year's September tenth enrollment exceeds the prior  
16          year's average daily membership, then a deduction of 1.00 the number of excess  
17          students.
- 18          2. The superintendent of public instruction shall determine each school district's weighted  
19          average daily membership by adding the products derived under subsection 1 to the  
20          district's average daily membership.

21       **SECTION 2. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
22       amended and reenacted as follows:

23       **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
24       **~~through June 30, 2025~~) (Retroactive application - [See note](#))**

- 25       ~~1. To determine the amount of state aid payable to each district, the superintendent of~~  
26       ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
27       ~~funding consists of:~~
- 28           ~~a. All state aid received by the district in accordance with chapter 15.1-27 during the~~  
29           ~~2018-19 school year;~~
- 30           ~~b. An amount equal to the property tax deducted by the superintendent of public~~  
31           ~~instruction to determine the 2018-19 state aid payment;~~

- 1           e. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
2           ~~district during the 2017-18 school year for the following revenue types:~~
- 3           (1) ~~Revenue reported under code 2000 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           (2) ~~Mineral revenue received by the school district through direct allocation from~~  
7           ~~the state treasurer and not reported under code 2000 of the North Dakota~~  
8           ~~school district financial accounting and reporting manual, as developed by~~  
9           ~~the superintendent of public instruction in accordance with section~~  
10          ~~15.1-02-08;~~
- 11          (3) ~~Tuition reported under code 1300 of the North Dakota school district~~  
12          ~~financial accounting and reporting manual, as developed by the~~  
13          ~~superintendent of public instruction in accordance with section 15.1-02-08,~~  
14          ~~with the exception of revenue received specifically for the operation of an~~  
15          ~~educational program provided at a residential treatment facility, tuition~~  
16          ~~received for the provision of an adult farm management program, and~~  
17          ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~  
18          ~~under an agreement to educate students from a school district on an~~  
19          ~~air force base with funding received through federal impact aid, and an~~  
20          ~~additional seventeen percent of tuition received under an agreement to~~  
21          ~~educate students from a school district on an air force base with funding~~  
22          ~~received through federal impact aid each school year thereafter, until the~~  
23          ~~2024-25 school year when sixty-eight percent of tuition received under an~~  
24          ~~agreement to educate students from a school district on an air force base~~  
25          ~~with funding received through federal impact aid must be excluded from the~~  
26          ~~tuition calculation under this paragraph;~~
- 27          (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission~~  
28          ~~of electric power;~~
- 29          (5) ~~Revenue from payments in lieu of taxes on electricity generated from~~  
30          ~~sources other than coal; and~~



- 1                   (6) ~~Revenue from the leasing of land acquired by the United States for which~~  
2                   ~~compensation is allocated to the state under 33 U.S.C. 701(c)(3);~~
- 3           d. ~~An amount equal to the total revenue received by the school district during the~~  
4           ~~2017-18 school year for the following revenue types:~~
- 5                   (1) ~~Mobile home tax revenue;~~  
6                   (2) ~~Telecommunications tax revenue; and~~  
7                   (3) ~~Revenue from payments in lieu of taxes and state reimbursement of the~~  
8                   ~~homestead credit and disabled veterans credit; and~~
- 9           e. ~~Beginning with the 2020-21 school year, the superintendent shall reduce the~~  
10           ~~baseline funding for any school district that becomes an elementary district~~  
11           ~~pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must~~  
12           ~~be proportional to the number of weighted student units in the grades that are~~  
13           ~~offered through another school district relative to the total number of weighted~~  
14           ~~student units the school district offered in the year before the school district~~  
15           ~~became an elementary district. The reduced baseline funding applies to the~~  
16           ~~calculation of state aid for the first school year in which the school district~~  
17           ~~becomes an elementary district and for each year thereafter. For districts that~~  
18           ~~become an elementary district prior to the 2020-21 school year, the~~  
19           ~~superintendent shall use the reduced baseline funding to calculate state aid for~~  
20           ~~the 2020-21 school year and for each year thereafter.~~
- 21       2. a. ~~The superintendent shall divide the district's baseline funding determined in~~  
22           ~~subsection 1 by the district's 2017-18 weighted student units to determine the~~  
23           ~~district's baseline funding per weighted student unit.~~
- 24           b. ~~For any school district that becomes an elementary district pursuant to section~~  
25           ~~15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the~~  
26           ~~district's baseline funding per weighted student unit used to calculate state aid.~~  
27           ~~The superintendent shall divide the district's baseline funding determined in~~  
28           ~~subsection 1 by the district's weighted student units after the school district~~  
29           ~~becomes an elementary district to determine the district's adjusted baseline~~  
30           ~~funding per weighted student unit. The superintendent shall use the district's~~  
31           ~~adjusted baseline funding per weighted student unit in the calculation of state aid~~

1           for the first school year in which the school district becomes an elementary  
2           district and for each year thereafter.

3           e. ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~  
4           superintendent shall reduce the district's baseline funding per weighted student  
5           unit. Each year the superintendent shall calculate the amount by which the  
6           district's baseline funding per weighted student unit exceeds the payment per  
7           weighted student unit provided in subsection 3. For the 2023-24 school year the  
8           superintendent shall reduce the district's baseline funding per weighted student  
9           unit by forty percent of the amount by which the district's baseline funding per  
10          weighted student unit exceeds the payment per weighted student unit for the  
11          2023-24 school year. For each year thereafter, the reduction percentage is  
12          increased by an additional fifteen percent. However, the district's baseline funding  
13          per weighted student unit, after the reduction, may not be less than the payment  
14          per weighted student unit provided in subsection 3.

15          3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the  
16          greater of:

17           (1) The district's weighted student units multiplied by ten thousand six hundred  
18           forty-six dollars;

19           (2) One hundred two percent of the district's baseline funding per weighted  
20           student unit, as established in subsection 2, multiplied by the district's  
21           weighted student units, not to exceed the district's 2017-18 baseline  
22           weighted student units, plus any weighted student units in excess of the  
23           2017-18 baseline weighted student units multiplied by ten thousand  
24           six hundred forty-six dollars; or

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

28          b. For the 2024-25 school year and each school year thereafter, the superintendent  
29          shall calculate state aid as the greater of:

30           (1) The district's weighted student units multiplied by eleven thousand  
31           seventy-two dollars;



- 1                   (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
2                   ~~student unit, as established in subsection 2, multiplied by the district's~~  
3                   ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
4                   ~~weighted student units, plus any weighted student units in excess of the~~  
5                   ~~2017-18 baseline weighted student units multiplied by eleven thousand~~  
6                   ~~seventy-two dollars; or~~
- 7                   (3) ~~The district's baseline funding as established in subsection 1 less the~~  
8                   ~~amount in paragraph 1, with the difference reduced by fifty-five percent for~~  
9                   ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~  
10                  ~~percent each school year thereafter until the difference is reduced to zero,~~  
11                  ~~and then the difference added to the amount determined in paragraph 1.~~
- 12       4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
13       ~~public instruction shall:~~
- 14           a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
15           ~~school district, except the amount in dollars subtracted for purposes of this~~  
16           ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
17           ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
18           ~~section 15.1-27-04.3; and~~
- 19           b. ~~Subtract an amount equal to seventy-five percent of all revenue types listed in~~  
20           ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
21           ~~seventy-five percent of all revenue types, the superintendent of public instruction~~  
22           ~~shall adjust revenues as follows:~~
- 23           (1) ~~Tuition revenue shall be adjusted as follows:~~
- 24                   (a) ~~In addition to deducting tuition revenue received specifically for the~~  
25                   ~~operation of an educational program provided at a residential~~  
26                   ~~treatment facility, tuition revenue received for the provision of an adult~~  
27                   ~~farm management program, tuition received for the education of~~  
28                   ~~high-cost and special education students, and tuition received under~~  
29                   ~~an agreement to educate students from a school district on an~~  
30                   ~~air force base with funding received through federal impact aid as~~  
31                   ~~directed each school year in paragraph 3 of subdivision c of~~

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

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

11                    (2) After adjusting tuition revenue as provided in paragraph 1, the  
12                    superintendent shall reduce all remaining revenues from all revenue types  
13                    by the percentage of mills levied in 2022 by the school district for sinking  
14                    and interest relative to the total mills levied in 2022 by the school district for  
15                    all purposes.

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

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

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

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

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

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



1        **~~Baseline funding—Establishment—Determination of state aid. (Effective after~~**  
2        **~~June 30, 2025)~~**

- 3        1. To determine the amount of state aid payable to each district, the superintendent of  
4        public instruction shall establish each district's baseline funding. A district's baseline  
5        funding consists of:
- 6        a. All state aid received by the district in accordance with chapter 15.1-27 during the  
7        2018-19 school year;
  - 8        b. An amount equal to the property tax deducted by the superintendent of public  
9        instruction to determine the 2018-19 state aid payment;
  - 10       c. An amount equal to seventy-five percent of the revenue received by the school  
11       district during the 2017-18 school year for the following revenue types:
    - 12       (1) Revenue reported under code 2000 of the North Dakota school district  
13       financial accounting and reporting manual, as developed by the  
14       superintendent of public instruction in accordance with section 15.1-02-08;
    - 15       (2) Mineral revenue received by the school district through direct allocation from  
16       the state treasurer and not reported under code 2000 of the North Dakota  
17       school district financial accounting and reporting manual, as developed by  
18       the superintendent of public instruction in accordance with section  
19       15.1-02-08;
    - 20       (3) Tuition reported under code 1300 of the North Dakota school district  
21       financial accounting and reporting manual, as developed by the  
22       superintendent of public instruction in accordance with section 15.1-02-08,  
23       with the exception of revenue received specifically for the operation of an  
24       educational program provided at a residential treatment facility, tuition  
25       received for the provision of an adult farm management program, and  
26       beginning in the 2025-26 school year, eighty-five percent of tuition received  
27       under an agreement to educate students from a school district on an  
28       air force base with funding received through federal impact aid, until the  
29       2026-27 school year, and each school year thereafter, when all tuition  
30       received under an agreement to educate students from a school district on

- 1 an air force base with funding received through federal impact aid must be  
2 excluded from the tuition calculation under this paragraph;
- 3 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
4 of electric power;
- 5 (5) Revenue from payments in lieu of taxes on electricity generated from  
6 sources other than coal; and
- 7 (6) Revenue from the leasing of land acquired by the United States for which  
8 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 9 d. An amount equal to the total revenue received by the school district during the  
10 2017-18 school year for the following revenue types:
- 11 (1) Mobile home tax revenue;
- 12 (2) Telecommunications tax revenue; and
- 13 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
14 homestead credit and disabled veterans credit; and
- 15 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
16 baseline funding for any school district that becomes an elementary district  
17 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
18 be proportional to the number of weighted student units in the grades that are  
19 offered through another school district relative to the total number of weighted  
20 student units the school district offered in the year before the school district  
21 became an elementary district. The reduced baseline funding applies to the  
22 calculation of state aid for the first school year in which the school district  
23 becomes an elementary district and for each year thereafter. For districts that  
24 become an elementary district prior to the 2020-21 school year, the  
25 superintendent shall use the reduced baseline funding to calculate state aid for  
26 the 2020-21 school year and for each year thereafter.
- 27 2. a. The superintendent shall divide the district's baseline funding determined in  
28 subsection 1 by the district's 2017-18 weighted student units to determine the  
29 district's baseline funding per weighted student unit.
- 30 b. For any school district that becomes an elementary district pursuant to section  
31 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the



- 1 district's baseline funding per weighted student unit used to calculate state aid.
- 2 The superintendent shall divide the district's baseline funding determined in
- 3 subsection 1 by the district's weighted student units after the school district
- 4 becomes an elementary district to determine the district's adjusted baseline
- 5 funding per weighted student unit. The superintendent shall use the district's
- 6 adjusted baseline funding per weighted student unit in the calculation of state aid
- 7 for the first school year in which the school district becomes an elementary
- 8 district and for each year thereafter.
- 9 c. Beginning with the 2021-22 school year and for each school year thereafter, the
- 10 superintendent shall reduce the district's baseline funding per weighted student
- 11 unit. Each year the superintendent shall calculate the amount by which the
- 12 district's baseline funding per weighted student unit exceeds the payment per
- 13 weighted student unit provided in subsection 3. For the 2023-24 school year the
- 14 superintendent shall reduce the district's baseline funding per weighted student
- 15 unit by forty percent of the amount by which the district's baseline funding per
- 16 weighted student unit exceeds the payment per weighted student unit for the
- 17 2023-24 school year. For each year thereafter, the reduction percentage is
- 18 increased by an additional fifteen percent. However, the district's baseline funding
- 19 per weighted student unit, after the reduction, may not be less than the payment
- 20 per weighted student unit provided in subsection 3.
- 21 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid
- 22 as the greater of:
- 23 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~
- 24 ~~forty six~~eleven thousand four hundred four~~eleven thousand two hundred~~
- 25 ninety-three dollars;
- 26 (2) One hundred two percent of the district's baseline funding per weighted
- 27 student unit, as established in subsection 2, multiplied by the district's
- 28 weighted student units, not to exceed the district's 2017-18 baseline
- 29 weighted student units, plus any weighted student units in excess of the
- 30 2017-18 baseline weighted student units multiplied by ~~ten thousand~~

1 ~~six hundred forty six~~eleven thousand four hundred foureleven thousand two  
2 hundred ninety-three dollars; or

3 (3) The district's baseline funding as established in subsection 1 less the  
4 amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
5 and then the difference added to the amount determined in paragraph 1.

6 b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
7 superintendent shall calculate state aid as the greater of:

8 (1) The district's weighted student units multiplied by eleven thousand  
9 ~~seventy two~~seven hundred forty sixfive hundred nineteen dollars;

10 (2) One hundred two percent of the district's baseline funding per weighted  
11 student unit, as established in subsection 2, multiplied by the district's  
12 weighted student units, not to exceed the district's 2017-18 baseline  
13 weighted student units, plus any weighted student units in excess of the  
14 2017-18 baseline weighted student units multiplied by eleven thousand  
15 ~~seventy two~~seven hundred forty sixfive hundred nineteen dollars; or

16 (3) The district's baseline funding as established in subsection 1 less the  
17 amount in paragraph 1, with the difference reduced by ~~fifty five~~eighty-five  
18 percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
19 increasing by fifteen percent each school year thereafter until the difference  
20 is reduced to zero, and then the difference added to the amount determined  
21 in paragraph 1.

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

24 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
25 school district; and

26 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
27 ~~subdivisions e and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
28 subsection 1 and revenue from payments in lieu of taxes. Before determining the  
29 deduction for seventy-five percent of all revenue types, the superintendent of  
30 public instruction shall adjust revenues as follows:

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



- 1 (a) In addition to deducting tuition revenue received specifically for the  
2 operation of an educational program provided at a residential  
3 treatment facility, tuition revenue received for the provision of an adult  
4 farm management program, tuition received for the education of  
5 high-cost and special education students, and tuition received under  
6 an agreement to educate students from a school district on an  
7 air force base with funding received through federal impact aid as  
8 directed each school year in paragraph 3 of subdivision c of  
9 subsection 1, the superintendent of public instruction also shall reduce  
10 the total tuition reported by the school district by the amount of tuition  
11 revenue received for the education of students not residing in the  
12 state and for which the state has not entered a cross-border education  
13 contract; and
- 14 (b) The superintendent of public instruction also shall reduce the total  
15 tuition reported by admitting school districts meeting the requirements  
16 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
17 of tuition revenue received for the education of students residing in an  
18 adjacent school district.
- 19 (2) After adjusting tuition revenue as provided in paragraph 1, the  
20 superintendent shall reduce all remaining revenues from all revenue types  
21 by the percentage of mills levied in ~~2022~~2024 by the school district for  
22 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
23 school district for all purposes.
- 24 5. The amount remaining after the computation required under subsection 4 is the  
25 amount of state aid to which a school district is entitled, subject to any other statutory  
26 requirements or limitations.
- 27 6. On or before June thirtieth of each year, the school board shall certify to the  
28 superintendent of public instruction the final average daily membership for the current  
29 school year.



- 1        7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
2        with the school districts, shall report the following to the superintendent of public  
3        instruction on an annual basis:
- 4        a. The amount of revenue received by each school district in the county during the  
5        previous school year for each type of revenue identified in subdivisions c and d of  
6        subsection 1;
- 7        b. The total number of mills levied in the previous calendar year by each school  
8        district for all purposes; and
- 9        c. The number of mills levied in the previous calendar year by each school district  
10       for sinking and interest fund purposes.

11       **SECTION 3. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is  
12       amended and reenacted as follows:

13       **15.1-27-35. Average daily membership - Calculation.**

- 14       1. Average daily membership is calculated at the conclusion of the school year by adding  
15       the total number of hours that each student in a given grade, school, or school district  
16       is in attendance at the school's physical plant during a school calendar and the total  
17       number of hours that each student in a given grade, school, or school district is absent  
18       during a school calendar, and then dividing the sum by:
- 19       a. Nine hundred sixty-two and one-half hours for elementary school students; or  
20       b. One thousand fifty hours for middle and high school students.
- 21       2. For purposes of calculating average daily membership:
- 22       a. A student enrolled full time in any grade from one through twelve may not exceed  
23       an average daily membership of 1.00. The membership may be prorated for a  
24       student who is enrolled less than full time.
- 25       b. A student enrolled full time in an approved regular education kindergarten  
26       program may not exceed an average daily membership of 1.00. The membership  
27       may be prorated for a student who is enrolled less than full time.
- 28       c. A student enrolled full time, as defined by the superintendent of public instruction,  
29       in an approved early childhood special education program may not exceed an  
30       average daily membership of 1.00. The membership may be prorated for a  
31       student who is enrolled less than full time.



- d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:

a. The amount calculated in subsections 1 and 2 of this section; or

b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.

**SECTION 4. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, and specifications, and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of

1           this levy must be deposited into a special fund known as the miscellaneous fund and  
2           used in accordance with this subsection. The proceeds may not be transferred into  
3           any other fund.

4           3. The board of a school district may levy no more than three mills on the taxable  
5           valuation of the district for deposit into a special reserve fund, in accordance with  
6           chapter 57-19.

7           4. The board of a school district may levy no more than the number of mills necessary,  
8           on the taxable valuation of the district, for the payment of tuition, in accordance with  
9           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
10          known as the tuition fund and used in accordance with this subsection. The proceeds  
11          may not be transferred into any other fund.

12          5. The board of a school district may levy no more than five mills on the taxable valuation  
13          of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
14          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
15          deposited into a special fund known as the school safety plan fund and used in  
16          accordance with this subsection.

17          6. Nothing in this section limits the board of a school district from levying:

18           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and

19           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
20           including the mills necessary to pay principal and interest on any bonded debt  
21           incurred under section 57-15-17.1 before July 1, 2013.

22           **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

23           **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
24           budget shall transfer the sum of ~~\$100,000,000~~ \$75,000,000 from the foundation aid stabilization  
25           fund to the school construction assistance revolving loan fund during the biennium beginning  
26           July 1, 2025, and ending June 30, 2027.

27           **SECTION 7. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years  
28           beginning after December 31, 2024.

**2025 SENATE EDUCATION**

**HB 1369**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Education Committee Room JW216, State Capitol

HB 1369  
3/17/2025

Relating to the determination of state aid, the calculation of average daily membership, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

9:00 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

### Discussion Topics:

- Establish baseline funding
- Add bonding section
- Funding special education
- Invest in public schools
- Sliding scale for funding

9:00 a.m. Representative Heinert, District #32, introduced the bill.

9:04 a.m. Mike Krumwiede, Lobbyist Staiger Consulting Group, testified in favor and submitted testimony #42345.

9:06 a.m. Jeff Fastnacht, Superintendent Bismarck Public Schools, testified in favor and submitted testimony #41631.

9:09 a.m. Nick Archuleta, President North Dakota United, testified in favor and submitted testimony #42087.

9:11 a.m. Aimee Copas, Executive Director ND Council of Educational Leaders, testified in favor and submitted testimony #42124.

9:14 a.m. Amy De Kok, Executive Director, ND School Boards Association, testified in favor and submitted testimony #42146.

9:15 a.m. Brandt Dick, Acting Superintendent Glen Ullin School District and President ND Small Organized School Boards, testified in favor and submitted testimony #41718.

9:24 a.m. Shawn Kuntz, Superintendent Wishek Public School, testified in favor and submitted testimony #41876.

9:25 a.m. Juan, third grade student Wishek Public School, testified in favor and submitted testimony #41874.



9:27 a.m. Regina Rodriguez Garcia, student Wishek Public School, testified in favor and submitted testimony #41875.

9:29 a.m. Kalli Scherbenske, Interventionist Wishek Public School, testified in favor and submitted testimony #41877.

9:37 a.m. Adam Tescher, School Finance Officer, ND Department of Public Instruction, testified neutral and submitted testimony #41913.

9:53 a.m. Mike McNeff, Superintendent Rugby Public School District, testified in favor and submitted testimony #42174.

9:58 a.m. Chairman Beard closed the hearing.

*Susan Helbling, Committee Clerk*

1    **HB 1369 – Weighted Average Daily Membership – by Dr. Jeff Fastnacht,**  
2    **Superintendent, Bismarck Public School District.**

3    Good Morning Chairman Beard, and members of the Senate Education Committee.

4    I stand in support of HB 1369 and applaud the efforts to provide substantial financial  
5    support to your public schools to ensure every public school child in the great state  
6    of North Dakota is provided the educators, programs, and services they need to be  
7    Choice Ready, graduate, and succeed.

8    I could provide testimony on the overall foundation payment and a desire to see the  
9    Legislature be supportive by providing a 3%-3% increase this next biennium, but I  
10    want to share some points on the formula that are more precise.

11    I would like you to consider amendments to address a rapidly growing population  
12    and the services they need to become productive members of our workforce. This  
13    consideration is for our English Language learners. Bismarck Public School, as of  
14    mid-January, had 645 enrolled EL students. EL students are put into levels based on  
15    their proficiency, starting with Newcomer/Level 1, up to Level 6. Last year, BPS  
16    saw a 73% increase in Level 1 students. This year, that increase is another 47%  
17    resulting in now 170 Newcomer/Level 1 students. BPS has 100 level 2 students; the  
18    rest are level 3 or greater.

19    What does that mean for our educators and students? Level 1 students commonly  
20    have little or no English skills. They come in all shapes and sizes, from kindergarten  
21    to high school students. Many assume that we only need to provide translation  
22    through an interpreter or electronic device and we can accommodate these children  
23    while we teach them English. That may work for some of our EL kids, but not all.

1 We have many Newcomers, who are not only learning English but they are also  
2 learning their native language at the same time. These students can speak their home  
3 language, but due to lack of schooling or other factors, they cannot read their home  
4 language. Without the ability to read their native home language, even written  
5 translation becomes a significant challenge.

6 I am asking that you consider expanding the weighting factor for EL students to  
7 make Levels 2 and 3 the same weight as Level 1 is today (.40). This would help  
8 support the services that are being stretched in many of our districts as we welcome  
9 in a more diverse workforce from around the nation.

10 In addition to base funding at 3% and 3%, adjustments of to the EL weighting  
11 factors, I would conclude by stating I support any increase to the special education  
12 weighting factor. The state took much appreciated strides last year to increase  
13 funding for this population, which has resulted in more services being provided to  
14 our students. I will stand finally supporting a 3-year rolling average for ADM  
15 calculation. Having worked in the largest school in the state, and previously in one  
16 of the smallest, a rolling average would provide needed financial stability in our  
17 smallest schools.

### **HB 1369 Testimony**

Chairman Beard and Members of the Senate Education Committee, for the record my name is Brandt Dick, President of the ND Small Organized Schools. I am here today to support HB 1369, a piece of legislation that provides funding for K-12 Public Schools in the State of North Dakota.

I have handed out worksheets for Glen Ullin school district as I am working with them during the 2024-25 school year to show how SB 1369 provides support for Glen Ullin school district, and other districts that have similar stories, districts that are unfortunately seeing a decline in enrollment.

Please look at the very bottom of page 1 of the worksheet listed from the payment month of October 2024-25. You see that the preliminary numbers of anticipated revenue from the state of ND was \$1.56 million dollars. Once the final enrollment numbers were inserted, the payment month of March 2024-25 shows what Glen Ullin will receive for the 2024-25 school year, \$1.31 million, a \$250,000 decrease in revenue, due to the decrease in enrollment from 140 students used to derive the revenue in October, to the actual number of students of 135 students in March, along with decreases in transportation and a greater deduction in line 35.

The third worksheet shows how the provision in HB 1369 that allows for a three-year enrollment average would benefit Glen Ullin School District. If you look at the bottom number on page one of the Preliminary Projections House Version worksheet, one will notice the changes provided would provide an anticipated revenue of \$1.56 million, back to the preliminary numbers from this past October. The Preliminary Projections House Version also has the changes that would be made if HB 1214 and HB 1381 are passed.

Glen Ullin School Board made the decision to advertise for an elementary teacher, but not hire until the Board knows if the changes in the bills listed above are signed into law, as a \$250,000 difference in revenue is something the board will have to determine if the district can afford to hire that position, or if they will have to combine classrooms, something the community does not want to see implemented.

I urge this committee to support SB 1369 and recognize its value in funding K-12 Public School Districts. Thank you for your time and consideration. I will stand for questions.





# STATE AID TO SCHOOLS PAYMENT WORKSHEET

North Dakota Department of Public Instruction  
Office of School Finance and Organization

District Name	County District Number	Payment Month	School Year
Glen Ullin 48	30-048	March	2024-25

## A. STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

### Student Membership

	ADM	Weighting Factor	Weighted ADM
1 Pk Special Education	0.08	1.000	0.08
2 Kindergarten	7.88	1.000	7.88
3 Grade 1-6	58.55	1.000	58.55
4 Grade 7-8	14.23	1.000	14.23
5 Grade 9-12	53.91	1.000	53.91
6 Alternate High School	0.00	1.000	0.00
7 Total Average Daily Membership (ADM)			134.65

### Other Program Membership

8 Alt High School (from line 6)	0.00	0.250	0.00
9 Special Ed ADM (from line 7)	134.65	0.088	11.85
10 PK Special Ed ADM (from line 1)	0.08	0.170	0.01
11 Regional Educational Association (if member from line 7)	134.65	0.002	0.27
12 2024-2025 Fall Enrollment above 2024 ADM	0.00	1.000	0.00
13 Spring 2024 ADM Adjustment	0.00	1.000	0.00
14 ELL Level 1	0.00	0.400	0.00
15 ELL Level 2	1.00	0.280	0.28
16 ELL Level 3	0.00	0.070	0.00
17 At Risk	58.98	0.025	1.47
18 Home-Education (district supervised)	0.00	0.200	0.00
19 Alt Middle School	0.00	0.150	0.00
Summer Programs			
20 Summer School	1.86	0.600	1.12
21 Special Ed ESY	0.00	1.000	0.00
Isolated School District			
22 > 275 sq miles and < 100 ADM	0.00	0.100	0.00
23 > 600 sq miles and < 50 ADM	0.00	1.100	0.00

24 Total Weighted Average Daily Membership (Add Lines 7 through 23)	149.65
25 Virtual Average Daily Membership	0.00
26 In Person Average Daily Membership	149.65
27 School District Size Weighting Factor	1.4800
28 In Person Weighted Student Units	221.48
29 Total Weighted Student Units	221.48
30 Per Student Payment Rate	11,072.00
31 Total Formula Payment	2,452,226.56

### Formula Adjustments

32 Transition Minimum Adjustment (from line 72) 55% Reduction	2,199,802.75	0.00	0.00
33 Total Adjusted Formula Amount (total lines 31 and 32)			2,452,226.56
34 Contribution from Property Tax (from line 50)			741,767.82
35 Contribution from Other Local Revenue (from line 43)			492,526.43
36 State Aid Payment (line 33 minus lines 34 and 35)			1,217,932.31

### State School Aid Summary

	Entitlement	EFB Offset	Net Entitlement
1 State Aid Formula Payment (from line 36)	1,217,932.31	-	1,217,932.31
2 Transportation (from line 62)	91,294.56	-	91,294.56
3 State Child Placement	1,820.12	-	1,820.12
4 Special Education Contracts - Agency	-	-	-
5 Special Education Contracts - School Placed	-	-	-
6 Special Education - Boarding	-	-	-
7 Special Education - Gifted and Talented	-	-	-
Total State Aid	1,311,046.99	-	1,311,046.99

**B. CONTRIBUTION FROM OTHER LOCAL REVENUE**

	Total Revenue	Apportioned Revenue	Percent	
37 1300 Tuition	3,725.34	3,725.34	75%	2,794.01
38 2999 County	442.02	442.02	75%	331.52
39 US Flood	-	-	75%	-
40 Electric Generation, Distribution and Transmission Tax	624,706.32	624,706.32	75%	468,529.74
41 Mobile Home and Other In-Lieu Taxes	14,565.07	14,565.07	75%	10,923.80
42 Telecommunications	13,263.15	13,263.15	75%	9,947.36
43 Contribution from Other Local Revenue				492,526.43
	S & I Levy	Total Levy	Non S & I Percentage	
	-	80.23	100.00	

**C. CONTRIBUTION FROM PROPERTY TAX**

44 District Taxable Valuation		12,362,797.00
45 Contribution Mill Rate		60.00
46 Contribution from Property Tax (line 44 times line 45 divided by 1000)		741,767.82
47 Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-	-
48 Maximum Contribution Increase Adjustment(NDCC15.1-27-04.1.4.a.)	836,687.64	-
49 Local Effort Adjustment (NDCC 15.1-27-04.3)		-
50 Adjusted Contribution from Property Tax (total lines 46, 47, 48 and 49)		741,767.82

**E. TRANSPORTATION WORKSHEET**

Transportation Statistics	Rate	Miles	Rides	Total
51 Small Bus Miles	0.520	-	-	-
52 Large Bus Miles	1.110	74,256.0	-	82,424.16
53 Rural Rides	0.300	-	29,568	8,870.40
54 Small In-City Miles	0.520	-	-	-
55 Large In-City Miles	1.110	-	-	-
56 In-City Rides	0.300	-	-	-
57 Family - To School	0.250	-	-	-
58 Family - To Bus	0.250	-	-	-
59 Not Reimbursable	-	-	-	-
60 Total Transportation Reimbursement				91,294.56
61 Reimbursement Cap --- 90% of transportation expenditures				127,604.54
62 Block Grant Total (lesser of 90% cap or total)				91,294.56

**F. BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS**

63 Baseline Funding (2018-19 State Aid Formula Payment, MLRG, GF levies and 75%-100% In-lieu)	1,974,632.66
64 Baseline Weighted Student Units (2018-19)	204.71
65 Baseline Funding Rate	\$9,646.00

Adjustment for Minimum	Baseline Funding Rate	Minimum Percent	Weighted Student Units	
66 Minimum Increase Per Student	\$9,646.00	102%	204.71	2,014,125.31
67 WSUs Above Baseline	11,072.00		16.77	185,677.44
68 Baseline Funding Per Student				2,199,802.75
69 Baseline Funding (from line 63)				1,974,632.66
70 Minimum Funding Percentage				100%
71 Minimum Funding Amount				1,974,632.66
72 Minimum Increase Amount (greater of line 68 or line 71)				2,199,802.75

**G. On Time Funding Calculation Lines 12 & 13**

73 2023-24 K-12 ADM (Lines 2-6)	134.57
74 2024-25 K-12 Fall Enrollment	123.00
75 Line 12 (Line 74 - 73 Can't fall below 0)	0.00
76 2023-24 On Time Funding (Line 12 2023-24 Worksheet)	0.00
77 2023-24 Fall Enrollment	139.00
78 2023-24 K-12 ADM (Lines 2-6)	134.57
79 Line 13	0.00



# STATE AID TO SCHOOLS PAYMENT WORKSHEET

North Dakota Department of Public Instruction  
Office of School Finance and Organization

District Name	County District Number	Payment Month	School Year
Glen Ullin 48	30-048	October	2024-25

## A. STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

### Student Membership

	ADM	Weighting Factor	Weighted ADM
1 Pk Special Education	0.95	1.000	0.95
2 Kindergarten	9.00	1.000	9.00
3 Grade 1-6	58.00	1.000	58.00
4 Grade 7-8	14.00	1.000	14.00
5 Grade 9-12	58.00	1.000	58.00
6 Alternate High School	0.00	1.000	0.00
7 Total Average Daily Membership (ADM)			139.95

### Other Program Membership

8 Alt High School (from line 6)	0.00	0.250	0.00
9 Special Ed ADM (from line 7)	139.95	0.088	12.32
10 PK Special Ed ADM (from line 1)	0.95	0.170	0.16
11 Regional Educational Association (if member from line 7)	139.95	0.002	0.28
12 2024-2025 Fall Enrollment above 2024 ADM	1.82	1.000	1.82
13 Spring 2024 ADM Adjustment	0.00	1.000	0.00
14 ELL Level 1	0.00	0.400	0.00
15 ELL Level 2	1.00	0.280	0.28
16 ELL Level 3	0.00	0.070	0.00
17 At Risk	58.92	0.025	1.47
18 Home-Education (district supervised)	0.00	0.200	0.00
19 Alt Middle School	0.00	0.150	0.00
Summer Programs			
20 Summer School	14.63	0.600	8.78
21 Special Ed ESY	0.00	1.000	0.00
Isolated School District			
22 > 275 sq miles and < 100 ADM	0.00	0.100	0.00
23 > 600 sq miles and < 50 ADM	0.00	1.100	0.00

24 Total Weighted Average Daily Membership (Add Lines 7 through 23)		165.06
25 Virtual Average Daily Membership		0.00
26 In Person Average Daily Membership		165.06
27 School District Size Weighting Factor		1.4600
28 In Person Weighted Student Units		240.99
29 Total Weighted Student Units		240.99
30 Per Student Payment Rate		11,072.00
31 Total Formula Payment		2,668,241.28

### Formula Adjustments

32 Transition Minimum Adjustment (from line 72) 55% Reduction	2,415,817.47	0.00	0.00
33 Total Adjusted Formula Amount (total lines 31 and 32)			2,668,241.28
34 Contribution from Property Tax (from line 50)			741,767.82
35 Contribution from Other Local Revenue (from line 43)			476,372.37
36 State Aid Payment (line 33 minus lines 34 and 35)			1,450,101.09

### State School Aid Summary

	Entitlement	EFB Offset	Net Entitlement
1 State Aid Formula Payment (from line 36)	1,450,101.09	-	1,450,101.09
2 Transportation (from line 62)	110,224.80	-	110,224.80
3 State Child Placement	-	-	-
4 Special Education Contracts - Agency	-	-	-
5 Special Education Contracts - School Placed	-	-	-
6 Special Education - Boarding	-	-	-
7 Special Education - Gifted and Talented	-	-	-
Total State Aid	1,560,325.89	-	1,560,325.89

**B. CONTRIBUTION FROM OTHER LOCAL REVENUE**

	Total Revenue	Apportioned Revenue	Percent	
37 1300 Tuition	16,688.27	16,688.27	75%	12,516.20
38 2999 County	817.35	817.35	75%	613.01
39 US Flood	-	-	75%	-
40 Electric Generation, Distribution and Transmission Tax	592,083.79	592,083.79	75%	444,062.84
41 Mobile Home and Other In-Lieu Taxes	12,310.61	12,310.61	75%	9,232.96
42 Telecommunications	13,263.15	13,263.15	75%	9,947.36
43 Contribution from Other Local Revenue				476,372.37
	S & I Levy	Total Levy	Non S & I Percentage	
	-	80.23	100.00	

**C. CONTRIBUTION FROM PROPERTY TAX**

44 District Taxable Valuation		12,362,797.00
45 Contribution Mill Rate		60.00
46 Contribution from Property Tax (line 44 times line 45 divided by 1000)		741,767.82
47 Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-	-
48 Maximum Contribution Increase Adjustment(NDCC15.1-27-04.1.4.a.)	836,687.64	-
49 Local Effort Adjustment (NDCC 15.1-27-04.3)		-
50 Adjusted Contribution from Property Tax (total lines 46, 47, 48 and 49)		741,767.82

**E. TRANSPORTATION WORKSHEET**

Transportation Statistics	Rate	Miles	Rides	Total
51 Small Bus Miles	0.520	-	-	-
52 Large Bus Miles	1.110	85,680.0	-	95,104.80
53 Rural Rides	0.300	-	50,400	15,120.00
54 Small In-City Miles	0.520	-	-	-
55 Large In-City Miles	1.110	-	-	-
56 In-City Rides	0.300	-	-	-
57 Family - To School	0.250	-	-	-
58 Family - To Bus	0.250	-	-	-
59 Not Reimbursable	-	-	-	-
60 Total Transportation Reimbursement				110,224.80
61 Reimbursement Cap --- 90% of transportation expenditures				160,290.86
62 Block Grant Total (lesser of 90% cap or total)				110,224.80

**F. BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS**

63 Baseline Funding (2018-19 State Aid Formula Payment, MLRG, GF levies and 75%-100% In-lieu)	1,974,632.66
64 Baseline Weighted Student Units (2018-19)	204.71
65 Baseline Funding Rate	\$9,646.00

Adjustment for Minimum	Baseline Funding Rate	Minimum Percent	Weighted Student Units	
66 Minimum Increase Per Student	\$9,646.00	102%	204.71	2,014,125.31
67 WSUs Above Baseline	11,072.00		36.28	401,692.16
68 Baseline Funding Per Student				2,415,817.47
69 Baseline Funding (from line 63)				1,974,632.66
70 Minimum Funding Percentage				100%
71 Minimum Funding Amount				1,974,632.66
72 Minimum Increase Amount (greater of line 68 or line 71)				2,415,817.47

**G. On Time Funding Calculation Lines 12 & 13**

73 2023-24 K-12 ADM (Lines 2-6)	139.00
74 2024-25 K-12 Fall Enrollment	140.82
75 Line 12 (Line 74 - 73 Can't fall below 0)	1.82
76 2023-24 On Time Funding (Line 12 2023-24 Worksheet)	0.00
77 2023-24 Fall Enrollment	139.00
78 2023-24 K-12 ADM (Lines 2-6)	139.00
79 Line 13	0.00





# STATE AID TO SCHOOLS PAYMENT WORKSHEET - Projection

North Dakota Department of Public Instruction

Office of School Finance and Organization

## Preliminary Projections House Version

District Name	County District Number	School Year
Glen Ullin 48	30-048	2025-2026

### A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

Student Membership	ADM	weighting Factor	Weighted ADM
1 Pk Special Education 3 year Average	0.73	1.000	0.73
2 Grades K-12 3 year Average	140.91	1.000	140.91
3 Alternative High School 3 year Average	-	1.000	-
Total lines 1-3	141.64		
4 PK special Education	0.08	1.000	0.08
5 Grades K-12	123.00	1.000	123.00
6 Alternative High School	-	1.000	-
Total lines 4-6	123.08		
7 Total Average Daily Membership (ADM) Greater of red cells lines 3 or 6			141.64

### Other Program Membership

8 Alt High School (from line 6)	-	0.250	-
9 Special Ed ADM (from line 6) Red	123.08	0.088	10.83
10 PK Special Ed ADM (from line 4)	0.08	0.170	0.01
11 Regional Education Association (if member from line 6) Red	123.08	0.002	0.25
12 25-26 Fall Enrollment above 2025 ADM	2.46	1.000	2.46
13 Spring 2025 ADM Adjustment	-	1.000	-
14 ELL Level 1	-	0.400	-
15 ELL Level 2	1.00	0.280	0.28
16 ELL Level 3	-	0.070	-
17 At Risk	62.04	0.025	1.55
18 Home-Education (district supervised)	-	0.200	-
19 Alt Middle School	-	0.150	-
Summer Programs			
20 Summer School	-	0.600	-
21 Special Ed ESY	-	1.000	-
Isolated School District			
22 >275 sq miles and <100 ADM	-	0.100	-
23 >600 sq miles and <50 ADM	-	1.100	-

24 Total Weighted Average Daily Membership (add lines 7 through 23)	157.02
25 Virtual Average Daily Membership	-
26 In Person Average Daily Membership	157.02
27 School District Size Weighting Factor	1.4600
28 In Person Weighted Student Units	229.25
29 Total Weighted Student Units	229.25
30 Per Student Payment Rate	\$11,293.00
31 Total Formula Payment	2,588,920.25

### Formula Adjustments

32 Transition Minimum Adjustment (from line 76)	30%	
33 Total Adjusted Formula Amount (total lines 31, and 32)	2,291,255.53	-
34 Contribution from Property Tax (from line 50)		2,588,920.25
35 Contribution from Other Local Revenue (from line 43)		713,185.86
36 State Aid Payment (line 33 minus lines 34 and 35)		426,684.43
		1,449,049.96

### State School Aid Summary

	Entitlement	EFB Offset	Net Entitlement
1 State Aid Formula Payment (from line 36)	1,449,049.96	-	1,449,049.96
2 Transportation (from line 67)	111,687.77	-	111,687.77
3 State Child Placement	-	-	-
4 Special Education Contracts - Agency	-	-	-
5 Special Education Contracts - School Placed	-	-	-
6 Special Education Contracts - Boarding	-	-	-
7 Special Education - Gifted and Talented	-	-	-
Total State Aid	1,560,737.73	-	1,560,737.73

Excess Fund Balance Offset (from line 54)

-

## SUPPORTING CALCULATIONS

		Apportioned Revenue (Total Revenue X lower % line 44 or 45)			Percent
<b>B CONTRIBUTION FROM OTHER LOCAL REVENUE</b>		Total Revenue			
37	1300 Tuition	3,725.34	3,725.34	65%	2,421.47
38	2999 County	177.70	177.70	65%	115.50
39	US Flood	-	-	65%	-
40	Electric Generation, Distribution and Transmission Tax	624,706.32	624,706.32	65%	406,059.11
41	Mobile Home and Other In-Lieu Taxes	14,565.07	14,565.07	65%	9,467.30
42	Telecommunications	13,263.15	13,263.15	65%	8,621.05
43	Contribution from Other Local Revenue	S & I Levy	Total Levy	Percentage	426,684.43
44	Sinking and Interest Apportioned Revenue	-	84.86	100.00%	
45	In Lieu of Property Tax Apportioned Revenue	In Lieu Rev	In Lieu Rev + line 48		
		656,437.58	1,369,623.44	52.07%	

<b>C CONTRIBUTION FROM PROPERTY TAX</b>		
46	District Taxable Valuation	11,886,431
47	Contribution Mill Rate	60
48	Contribution from Property Tax (line 46 times line 47 divided by 1000)	713,185.86
49	Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-
50	Contribution from Property Tax (Max 48, 49)	713,185.86

## E TRANSPORTATION WORKSHEET

Transportation Statistics		Rate		WSU	
55	Small Bus Miles	0.00052	0.0	xxxxx	-
56	Large Bus Miles	0.0011	74,256.0	xxxxx	81.68
57	Small Bus Runs	0.00468	xxxxx	0	-
58	Large Bus Runs	0.01	1,008.0	xxxxx	10.08
59	District Square Miles	0.0120	425.8	xxxxx	5.11
60	K-12 School Buildings	2.00	xxxxx	1	2.00
61	Family - To School	0.00025	0.0	xxxxx	-
62	Family - To Bus	0.00025	0.0	xxxxx	-
63	Not Reimbursable	-	0.0	0	
64	ADM				98.87
65	WSU			0.100	9.89
66	Per Student Payment Rate (line 30)				\$11,293.00
67	Transportation Grant Total				111,687.77

## F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS

68	Baseline Funding (2018-19 State Aid Formula Payment, GF levies and 75%-100% In-lieu)	1,974,632.66
69	Baseline Weighted Student Units (2018-19)	204.71
70	Baseline Funding Rate	\$9,646.00

		Baseline Funding		Baseline Weighted Student Units	
Adjustment for Minimum		Rate	Minimum Percent		
71	Minimum Increase Per Student	\$9,646.00	1.02	204.71	2,014,125.31
72	WSUs above baseline	\$11,293.00		24.54	277,130.22
73	Baseline Funding (from line 68)				1,974,632.66
74	Minimum Funding Percentage				100%
75	Minimum Funding Amount				1,974,632.66
76	Minimum Increase Amount (greater of line 71 and 72 or line 75)				2,291,255.53

Good morning, Chairman Beard and members of the Senate Education committee. Hello, my name is Juan, I am a 3<sup>rd</sup> grader at Wishek Public School. I came to Wishek from San Julián, Jalisco, Mexico when I was 3 years old. I want to share with you today the successes I have made at Wishek Public School.

When I first started school, I did not know any English. It was a challenging time, but also an exciting one, because I knew I was starting something new. I am so grateful to all the teachers who helped me along the way, especially Mrs. Weber, Ms. Scherbenske, and Mrs. Kuntz. Their support has made a huge difference for my sister and I as we adapted and learned English to be able to succeed and achieve personal milestones. I am now able to speak English with much more confidence.

Thanks to the teachers and staff at Wishek Public School, I was able to learn how to speak English and better understand this new place that I now call home. I do not have enough words to thank everyone for what they have done for me and my family.

Good morning, Chairman Beard and members of the Senate Education committee. Hello, my name is Regina Rodriguez Garcia. I'm from San Julián, Jalisco, México. I'm 15 years old.

When I first moved to Wishek in August 2018, I was only 8 years old and could only recognize colors and a few numbers in English. I was both excited and extremely nervous to start school as a 3rd grader. The day I walked into the classroom, I could feel all eyes on me. I felt so anxious, especially because I couldn't speak English. That's when my teacher pulled out a computer to help translate everything for me. She would speak for me as I typed out what I wanted to say. Even though I didn't understand what they were saying, thanks to my teacher and the staff at Wishek Public School, I learned English in just six months. I went from not understanding anything to being able to speak English.

All of this is thanks to the teachers I'm going to mention: Miss Scherbenske, Mrs. Kuntz, Mrs. Bettenhausen, and our principal, Miss Bosch.

I also remember how Mrs. Bettenhausen would pull me out of class to teach me English one-on-one. There were times when I struggled, but I learned so much, and I will never be able to thank our school enough for all they did, not only for me but also for my brother Juan.

I also want to mention how repeating a year in 4th grade helped me tremendously. When I first got to 4th grade, I had over 25 classmates, and my teacher just couldn't give me the support I needed. That's why we made the decision for me to repeat the year, and it was so helpful. Because of that decision, I'm now an 8th grader, and I owe so much of my growth and success to the education I received at Wishek Public School.



Good morning, Chairman Beard and members of the Senate Education committee. My name is Shawn Kuntz, and I am the Superintendent of Wishek Public School District #19 in Wishek, North Dakota. Today, I will present testimony in four parts. While we advocate for public school funding, particularly in specialized areas like English Language Learner (ELL) services, our primary goal is to showcase the successes occurring in public schools throughout North Dakota.

As I mentioned earlier, the word “success” is central to my message, and I will return to it later. To begin, I would like to invite my interventionist, Ms. Kalli Scherbenske, and two of our students, to speak.

**[Ms. Scherbenske and Regina and Juan speaks]**

Now, I circle back to that important word: success. I stand before you as a proud superintendent, proud of my staff, school board, coaches, and community for the incredible successes we achieve every day—successes that extend far beyond the individual but reflect our collective efforts. Today, we demonstrated one part of public education that many people may be unaware even exists. This is a testament to the potential within every public school, and I am confident that public schools across North Dakota could share similar success stories.

Unfortunately, these successes are often overshadowed by a flawed system established 25 years ago with No Child Left Behind, a concept that I argue has roots going back even further to the early 1980s with the A Nation At Risk report that detailed the inadequate education that was taking place in public schools during the 1970’s. However, today’s focus is on funding.

In my district, 4% of our student population requires ELL services. With a total of 250 students, that translates to 10 students needing additional, specialized instruction, which significantly impacts our staffing needs. Currently, we receive an additional .21 adjusted daily membership (ADM) for ELL services, which, when multiplied by the school size weighting factor of 1.24, results in approximately \$2,883.15 for ELL funding. Unfortunately, this amount is insufficient given our actual needs.

Finding qualified employees in rural areas is a challenge we all understand. When we cannot hire locally, we must contract services, which comes with high costs—particularly travel fees. Moreover, the quality of services is often better when we can employ staff who are present in the building and community rather than relying on distant contractors.

We have been fortunate to have Ms. Scherbenske join our team, and her contributions exemplify the type of success we strive for.

In closing, I want to reiterate the importance of success. What we demonstrated here today—whether through ELL students, special education, or general education—occurs across every public school, and it is the essence of what we do. We educate all students with the tax dollars we receive, alongside state and federal oversight.

The achievements we celebrate today reflect a significant success for Wishek Public School and North Dakota public education. However, if you were to evaluate us solely based on test

scores—often the only metric discussed—you might not recognize this success. I urge you to consider that it may not be the schools failing, but rather the instruments we use to measure success that warrant reevaluation.

In closing, thank you for the opportunity to share our story, and for your commitment to serving the educational needs of North Dakota.

Good morning, Chairman Beard and members of the Senate Education Committee. My name is Kalli Scherbenske, and I sincerely appreciate the opportunity to speak with you today. I am here to share my testimony in support of public-school funding, particularly for English Language Learners (EL) students.

I work as an interventionist at Wishek Public School in Wishek, North Dakota, my alma mater, where I graduated from high school. This district holds a special place in my heart, and I am passionate about its future. Today, I want to share my experiences teaching English Language Learners (ELs) and highlight how crucial public funding is for schools like Wishek Public.

My teaching career began in 2018 at Bismarck Public Schools, where I spent five years as a classroom teacher. In the spring of 2023, I made the difficult decision to leave teaching and return home to help with my family's cattle ranch. At that time, I had no plans to return to the classroom. However, everything changed when I received a call from Mr. Shawn Kuntz, the superintendent at Wishek Public Schools. He asked me to apply for a position at Wishek, and while I wasn't seeking full-time teaching opportunities due to my ranching responsibilities, I agreed to take on a part-time role. Little did I know, that decision would profoundly impact both my career and my life.

I started in the fall of 2023 as an interventionist, working with a diverse group of students across multiple grade levels, including English Language Learners from kindergarten through 12th grade. At the start of the school year, this group included nine EL students, and I had the privilege of working closely with them, including students such as Regina and Juan. Although I had worked with EL students before, this was my first experience in a more individualized, one-on-one setting.

As the school year progressed, my passion for working with these students only deepened. Teaching English Language Learners is unlike any other teaching experience. Each student presents unique challenges and needs, which makes it hard to always have the right resources at hand. But the resilience these students show, overcoming daily obstacles, is nothing short of inspiring.

Having taught both in traditional classrooms and now in small-group or one-on-one settings, I've gained a deeper appreciation for the importance of specialized teachers, particularly English Language instructors. In every classroom, students have diverse strengths and weaknesses. But for EL students, particularly newcomers, the challenge is even greater. Imagine entering a classroom where you cannot communicate effectively, these students can quickly feel lost and isolated. That is why having specialized English Language teachers, whether full-time or part-time, is absolutely essential. EL students deserve the support, time, and services necessary to help them succeed academically.

One critical issue that demands attention is the disproportionate emphasis placed on state standardized tests for English Language Learners (ELs). These tests fail to capture the true depth of an EL student's progress. Their growth cannot and should not be reduced to a single test score. Real achievements occur in the day-to-day advancements that are often invisible in standardized testing. The success of EL students is not confined to the narrow window of test periods; it is

evident in their continuous development, through the steady increase in their language proficiency, the growing self-confidence they exhibit, and the new opportunities they create for themselves both academically and socially.

In March of 2024, I made the decision to further my commitment to supporting these students by applying to graduate school to pursue my Master's in TESOL (Teaching English to Speakers of Other Languages). Every day, my goal is to ensure that I, along with my fellow educators, meet the individual needs of each EL student.

In closing, public-school funding is not just an investment in schools, it is an investment in the future of every student, including English Language Learners. With the right resources, training, and support, we can empower these students to thrive, not just academically, but in every aspect of their lives. Thank you for your time, and for supporting the future of our students.



# STATE AID TO SCHOOLS PAYMENT WORKSHEET

North Dakota Department of Public Instruction  
Office of Fiscal Management - SFO

District Name	County District Number	Payment Month	School Year
South Heart 9	45-009	March	2024-2025

## A STATE AID FORMULA:

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29.02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

### Student Membership

- 1 Pk Special Education
- 2 Kindergarten
- 3 Grade 1-6
- 4 Grade 7-8
- 5 Grade 9-12
- 6 Alternative High School
- 7 Total Average Daily Membership (ADM)

ADM	Weighting Factor	Weighted ADM
6.39	1.000	6.39
26.65	1.000	26.65
199.82	1.000	199.82
56.18	1.000	56.18
112.76	1.000	112.76
-	1.000	-
		401.80

### Other Program Membership

- 8 Alt High School (from line 6)
- 9 Special Ed ADM (from line 7)
- 10 PK Special Ed ADM (from line 1)
- 11 Regional Education Association (if member from line 7)
- 12 2024-25 Fall Enrollment above 2024 ADM
- 13 Spring 2024 ADM Adjustment
- 14 ELL Level 1
- 15 ELL Level 2
- 16 ELL Level 3
- 17 At Risk
- 18 Home-Education (district supervised)
- 19 Alt Middle School
- Summer Programs
- 20 Summer School
- 21 Special Ed ESY
- Isolated School District
- 22 >275 sq miles and <100 ADM
- 23 >600 sq miles and <50 ADM

-	0.250	-
401.80	0.088	35.36
6.39	0.170	1.09
401.80	0.002	0.80
26.59	1.000	26.59
(1.59)	1.000	(1.59)
-	0.400	-
-	0.280	-
-	0.070	-
45.40	0.025	1.14
-	0.200	-
-	0.150	-
1.56	0.600	0.94
-	1.000	-
-	0.100	-
-	1.100	-

- 24 Total Weighted Average Daily Membership (add lines 7 through 23)
- 25 Virtual Average Daily Membership
- 26 In Person Average Daily Membership
- 27 School District Size Weighting Factor
- 28 In Person Weighted Student Units
- 29 Total Weighted Student Units (add lines 25 and 28)
- 30 Per Student Payment Rate
- 31 Total Formula Payment

466.13
2.29
463.84
1.0254
475.62
477.91
\$11,072.00
5,291,419.52

### Formula Adjustments

- 32 Transition Minimum Adjustment (from line 72) with 55% Reduction
- 33 Total Adjusted Formula Amount (total lines 31, and 32)
- 34 Contribution from Property Tax (from line 50)
- 35 Contribution from Other Local Revenue (from line 43)
- 36 State Aid Payment (line 33 minus lines 34 and 35)

45%		
4,794,217.00	-	-
		5,291,419.52
		1,313,908.50
		377,940.78
		3,599,570.24

### State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 62)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented

Entitlement	EFB Offset	Net Entitlement
3,599,570.24	-	3,599,570.24
158,552.58	-	158,552.58
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,758,122.82	-	3,758,122.82

Total State Aid



B CONTRIBUTION FROM OTHER LOCAL REVENUE		Total Revenue	Apportioned Revenue	Percent	
37	1300 Tuition	53,594.70	34,445.31	75%	25,833.98
38	2999 County	651,807.28	418,916.54	75%	314,187.41
39	US Flood	-	-	75%	-
40	Electric Generation, Distribution and Transmission Tax	40,084.58	25,762.36	75%	19,321.77
41	Mobile Home and Other In-Lieu Taxes	24,670.54	15,855.76	75%	11,891.82
42	Telecommunications	13,911.72	8,941.06	75%	6,705.80
43	Contribution from Other Local Revenue				377,940.78
		S & I Levy	Total Levy	Non S & I Percentage	
		32.09	89.82	64.27%	

C CONTRIBUTION FROM PROPERTY TAX			
44	District Taxable Valuation		21,898,475
45	Contribution Mill Rate		60
46	Contribution from Property Tax (line 44 times line 45 divided by 1000)		1,313,908.50
47	Minimum Local Effort Adjustment (NDCC 15.1-27-04.2)	-	-
48	Maximum Contribution Increase Adjustment (NDCC 15.1-27-04.1.4.a.)	1,517,980.60	-
49	Local Effort Adjustment NDCC 15.1-27-04.3		-
50	Adjusted Contribution from Property Tax (total lines 46, 47 and 48)		1,313,908.50

## E TRANSPORTATION WORKSHEET

Transportation Statistics		Rate	Miles	Rides	Total
51	Small Bus Miles	0.520	0.0	xxxxx	-
52	Large Bus Miles	1.110	124,368.0	xxxxx	138,048.48
53	Rural Rides	0.300	xxxxx	68,347	20,504.10
54	Small In-City Miles	0.520	0.0	xxxxx	-
55	Large In-City Miles	1.110	0.0	xxxxx	-
56	In-City Rides	0.300	xxxxx	0	-
57	Family - To School	0.250	0.0	xxxxx	-
58	Family - To Bus	0.250	0.0	xxxxx	-
59	Not Reimbursable	-	0.0	0	-
60	Total Transportation Reimbursement				158,552.58
61	Reimbursement Cap --- 90% of transportation expenditures				349,190.69
62	Transportation Grant Total (lesser of 90% cap or total)				158,552.58

## F BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS

63	Baseline Funding (2018-19 Formula Payment)				3,889,460.12
64	Baseline Weighted Student Units (2018-19)				403.22
65	Baseline Funding Rate				\$9,646.00
Adjustment for Minimum		Baseline Funding Rate	Minimum Percent	Weighted Student Units	
66	Minimum Increase Per Student	\$9,646.00	102%	403.22	3,967,249.32
67	WSUs Above Baseline	\$11,072.00		74.69	826,967.68
68	Baseline Funding Per Student				4,794,217.00
69	Baseline Funding (from line 63)				3,889,460.12
70	Minimum Funding Percentage				100%
71	Minimum Funding Amount				3,889,460.12
72	Minimum Increase Amount (greater of line 68 or line 71)				4,794,217.00

## G On Time Funding Calculation Lines 12 &amp; 13

73	2023-24 K-12 ADM (Lines 2-6)		395.41
74	2024-25 K-12 Fall Enrollment		422.00
75	Line 12 (Line 74 - 73 Can't fall below 0)		26.59
76	2023-24 On Time Funding (Line 12 2023-24 Worksheet)		9.50
77	2023-24 Fall Enrollment		397.00
78	2023-24 K-12 ADM (Lines 2-6)		395.41
79	Line 13		(1.59)



**State School Aid Adequacy Formula**  
North Dakota Department of Public Instruction  
School Finance

School Year 2024-2025  
Payment Month March

**\$11,072      102%      60      75%**

CoDist	Entity Name	ADM	On Time WSU	Spring ADM Adj	wsu	Tax Base per wsu	Total Formula Amount	Transition Minimum	Contribution from Property Tax	Contribution from In-Lieu	Total State Aid	Total State/Local Funding	State /Local Funding per wsu
01-013	Hettinger 13	279.59	12.35	-	379.55	41,303	4,202,378	-	(940,585)	(318,718)	2,943,075	4,202,378	11,072
02-002	Valley City 2	968.47	-	-	1,082.65	42,927	11,987,101	-	(2,788,488)	(163,514)	9,035,098	11,987,101	11,072
02-007	Barnes County North 7	236.62	-	(2.17)	314.72	107,034	3,484,580	467,504	(2,021,148)	(416,320)	1,514,616	3,952,084	12,557
02-046	Litchville-Marion 46	129.57	11.44	(0.44)	232.01	80,098	2,568,815	211,687	(1,115,007)	(26,014)	1,639,481	2,780,502	11,984
03-005	Minnewaukan 5	255.13	-	-	342.42	12,230	3,791,274	-	(251,271)	(12,173)	3,527,830	3,791,274	11,072
03-006	Leeds 6	119.11	2.01	(3.01)	200.14	65,236	2,215,950	-	(783,382)	(21,595)	1,410,973	2,215,950	11,072
03-009	Maddock 9	123.48	-	(0.55)	208.36	54,043	2,306,962	-	(675,620)	(32,253)	1,599,089	2,306,962	11,072
03-016	Oberon 16	56.07	-	0.77	99.29	27,506	1,099,339	-	(163,863)	(6,230)	929,246	1,099,339	11,072
03-029	Warwick 29	192.59	-	-	272.66	11,823	3,018,892	-	(193,413)	(13,304)	2,812,175	3,018,892	11,072
03-030	Ft Totten 30	168.11	-	-	260.08	8,510	2,879,606	-	(132,797)	(12,381)	2,734,428	2,879,606	11,072
04-001	Billings Co 1	90.98	-	-	151.32	137,948	1,675,415	512,707	(1,252,458)	(935,664)	-	2,188,122	14,460
05-001	Bottineau 1	662.60	7.28	-	747.53	49,854	8,276,652	-	(2,236,045)	(605,374)	5,435,233	8,276,652	11,072
05-017	Westhope 17	148.68	4.32	(0.32)	240.87	38,462	2,666,913	-	(555,866)	(114,338)	1,996,709	2,666,913	11,072
05-054	Newburg-United 54	86.70	-	0.54	164.22	65,624	1,818,244	340,614	(646,607)	(73,034)	1,439,218	2,158,858	13,146
06-001	Bowman Co 1	487.45	-	8.05	555.40	43,559	6,149,389	282,010	(1,451,546)	(1,274,468)	3,705,385	6,431,399	11,580
06-033	Scranton 33	137.94	-	-	220.66	42,933	2,443,148	-	(568,410)	(242,822)	1,631,916	2,443,148	11,072
07-014	Bowbells 14	97.25	-	0.25	183.45	46,085	2,031,158	189,893	(507,260)	(268,966)	1,444,825	2,221,051	12,107
07-027	Powers Lake 27	209.42	0.87	-	287.48	32,512	3,182,979	40,703	(560,800)	(633,733)	2,029,149	3,223,682	11,214
07-036	Burke Central 36	88.34	8.66	(0.66)	179.07	60,220	1,982,663	28,847	(647,019)	(579,038)	785,453	2,011,511	11,233
08-001	Bismarck 1	13,864.72	81.21	(64.21)	15,854.54	38,985	175,541,467	-	(37,085,702)	(1,754,637)	136,701,128	175,541,467	11,072
08-025	Naughton 25	17.77	-	-	30.41	25,703	336,700	41,881	(46,898)	(2,706)	328,977	378,581	12,449
08-028	Wing 28	69.39	-	-	136.54	43,100	1,511,771	-	(353,092)	(20,538)	1,138,141	1,511,771	11,072
08-033	Menoken 33	50.08	-	-	85.99	49,015	952,081	20,788	(252,888)	(9,546)	710,436	972,870	11,314
08-035	Sterling 35	19.00	1.00	-	34.59	198,332	382,980	102,753	(411,618)	(22,177)	51,939	485,733	14,043
08-039	Apple Creek 39	76.97	0.03	(1.03)	127.84	51,221	1,415,444	-	(392,885)	(19,672)	1,002,887	1,415,444	11,072
08-045	Manning 45	13.40	-	-	23.05	22,287	255,210	-	(30,823)	(10,034)	214,353	255,210	11,072
09-001	Fargo 1	11,379.65	75.67	(113.67)	12,792.08	43,084	141,633,910	-	(32,693,905)	(2,232,924)	106,707,080	141,633,910	11,072
09-002	Kindred 2	892.24	-	-	989.11	37,610	10,951,426	-	(2,232,000)	(73,368)	8,646,058	10,951,426	11,072
09-004	Maple Valley 4	234.23	-	(2.97)	311.61	78,863	3,450,146	267,453	(1,474,469)	(70,287)	2,172,842	3,717,599	11,930
09-006	West Fargo 6	12,868.98	317.72	1.28	14,726.85	39,244	163,055,683	-	(34,291,637)	(627,051)	128,136,995	163,055,683	11,072
09-007	Mapleton 7	201.15	19.93	1.07	266.73	53,799	2,953,235	73,361	(860,992)	(37,227)	2,128,376	3,026,595	11,347
09-017	Central Cass 17	1,015.87	-	1.89	1,123.64	37,787	12,440,942	-	(2,547,169)	(220,101)	9,673,672	12,440,942	11,072
09-085	Hope Page 85	148.20	1.43	-	257.98	93,601	2,856,355	551,097	(1,448,828)	(60,846)	1,897,777	3,407,452	13,208



**State School Aid Adequacy Formula**  
North Dakota Department of Public Instruction  
School Finance

School Year 2024-2025  
Payment Month March

**\$11,072      102%      60      75%**

CoDist	Entity Name	ADM	On Time WSU	Spring ADM Adj	wsu	Tax Base per wsu	Total Formula Amount	Transition Minimum	Contribution from Property Tax	Contribution from In-Lieu	Total State Aid	Total State/Local Funding	State /Local Funding per wsu
09-097	Northern Cass 97	683.89	9.79	(1.79)	766.48	37,541	8,486,467	-	(1,726,454)	(82,601)	6,677,412	8,486,467	11,072
10-019	Munich 19	90.03	4.01	(0.01)	176.78	78,010	1,957,308	246,213	(827,442)	(10,121)	1,365,959	2,203,522	12,465
10-023	Langdon Area 23	423.70	6.39	(4.39)	477.25	86,107	5,284,112	-	(2,465,667)	(58,015)	2,760,430	5,284,112	11,072
11-040	Ellendale 40	301.68	-	-	378.39	53,851	4,189,534	-	(1,219,360)	(143,590)	2,826,584	4,189,534	11,072
11-041	Oakes 41	471.41	-	-	551.00	42,251	6,100,672	-	(1,396,829)	(98,354)	4,605,489	6,100,672	11,072
12-001	Divide County 1	361.63	16.72	-	440.65	73,360	4,878,877	-	(1,939,559)	(1,319,717)	1,619,600	4,878,877	11,072
13-016	Killdeer 16	568.13	5.87	-	649.18	104,194	7,187,721	146,254	(3,985,752)	(2,705,393)	642,831	7,333,975	11,297
13-037	Twin Buttes 37	54.76	0.24	(0.24)	94.55	8,510	1,046,858	-	(37,900)	(249,139)	759,818	1,046,858	11,072
14-002	New Rockford-Sheyenne 2	307.00	21.25	(1.25)	397.19	44,290	4,397,688	-	(1,055,500)	(42,812)	3,299,375	4,397,688	11,072
15-006	Hazleton-Moffitt-Braddock 6	134.38	-	-	220.88	53,579	2,445,583	-	(710,073)	(67,075)	1,668,435	2,445,583	11,072
15-015	Strasburg 15	112.70	-	-	191.55	48,675	2,120,842	-	(559,417)	(47,516)	1,513,909	2,120,842	11,072
15-036	Linton 36	230.25	-	(2.13)	317.01	47,101	3,509,935	-	(895,884)	(50,554)	2,563,497	3,509,935	11,072
16-049	Carrington 49	551.01	11.80	-	628.68	51,528	6,960,745	-	(1,943,682)	(72,512)	4,944,551	6,960,745	11,072
17-003	Beach 3	270.40	-	(2.28)	351.80	35,119	3,895,130	-	(741,299)	(489,961)	2,663,870	3,895,130	11,072
17-006	Lone Tree 6	25.16	5.00	-	51.31	64,985	568,104	348	(200,063)	(35,044)	333,345	568,452	11,079
18-001	Grand Forks 1	7,616.25	188.62	-	8,711.00	32,714	96,448,192	-	(17,098,296)	(2,311,379)	77,038,517	96,448,192	11,072
18-044	Larimore 44	379.91	22.29	(2.29)	464.95	39,486	5,147,926	-	(1,101,554)	(131,487)	3,914,886	5,147,926	11,072
18-061	Thompson 61	668.68	11.31	(0.31)	748.19	23,348	8,283,960	-	(1,048,125)	(238,066)	6,997,769	8,283,960	11,072
18-125	Manvel 125	169.24	6.76	-	241.28	33,325	2,671,452	-	(482,439)	(52,616)	2,136,396	2,671,452	11,072
18-127	Emerado 127	92.07	-	-	141.60	35,455	1,567,795	-	(301,223)	(37,429)	1,229,144	1,567,795	11,072
18-128	Midway 128	172.05	9.43	(17.43)	250.14	51,961	2,769,550	107,512	(779,849)	(51,511)	2,045,702	2,877,062	11,502
18-129	Northwood 129	341.00	-	-	408.12	33,400	4,518,705	-	(817,873)	(33,923)	3,666,909	4,518,705	11,072
19-018	Roosevelt 18	45.75	16.62	(9.62)	97.28	64,878	1,077,084	186,230	(378,679)	(21,839)	862,796	1,263,314	12,986
19-049	Elgin-New Leipzig 49	161.44	-	4.12	246.22	51,479	2,726,148	29,789	(760,503)	(52,407)	1,943,027	2,755,937	11,193
20-007	Midkota 7	161.24	7.90	-	290.97	54,334	3,221,620	271,775	(948,580)	(40,486)	2,504,329	3,493,395	12,006
20-018	Griggs County Central 18	259.39	1.86	5.14	351.94	48,625	3,896,680	-	(1,023,440)	(72,494)	2,800,746	3,896,680	11,072
21-001	Mott-Regent 1	227.53	-	-	309.98	52,709	3,432,099	-	(980,332)	(20,533)	2,431,234	3,432,099	11,072
21-009	New England 9	257.51	8.64	-	352.61	37,441	3,904,098	-	(792,131)	(629,334)	2,482,634	3,904,098	11,072
22-001	Kidder County 1	361.15	-	(2.91)	427.79	55,906	4,736,491	-	(1,434,949)	(111,884)	3,189,658	4,736,491	11,072
23-003	Edgeley 3	240.50	-	-	335.55	46,711	3,715,210	-	(940,431)	(25,629)	2,749,149	3,715,210	11,072
23-007	Kulm 7	115.85	-	(1.39)	193.95	61,182	2,147,414	131,371	(711,973)	(175,443)	1,391,370	2,278,786	11,749
23-008	LaMoure 8	263.80	19.78	(0.78)	372.71	46,046	4,126,645	-	(1,029,705)	(41,153)	3,055,787	4,126,645	11,072
24-002	Napoleon 2	241.69	-	(3.50)	320.48	37,240	3,548,355	-	(716,083)	(69,838)	2,762,434	3,548,355	11,072



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CoDist	Entity Name	ADM	On Time WSU	Spring ADM Adj	wsu	Tax Base per wsu	Total Formula Amount	Transition Minimum	Contribution from Property Tax	Contribution from In-Lieu	Total State Aid	Total State/Local Funding	State /Local Funding per wsu
24-056	Gackle-Streeter 56	91.12	0.78	-	172.70	72,718	1,912,134	-	(753,508)	(34,060)	1,124,567	1,912,134	11,072
25-001	Velva 1	433.39	3.66	-	489.16	40,096	5,415,980	-	(1,176,797)	(270,506)	3,968,676	5,415,980	11,072
25-014	Anamoose 14	70.51	2.62	0.38	123.97	40,701	1,372,596	-	(302,744)	(26,074)	1,043,778	1,372,596	11,072
25-057	Drake 57	76.30	-	(0.70)	142.85	68,157	1,581,635	3,329	(584,174)	(21,813)	978,977	1,584,964	11,095
25-060	TGU 60	340.69	8.66	(4.66)	507.19	43,135	5,615,608	167,523	(1,312,662)	(97,693)	4,372,775	5,783,131	11,402
26-004	Zeeland 4	26.51	-	-	46.94	115,518	519,720	122,618	(325,346)	(18,603)	298,389	642,338	13,684
26-009	Ashley 9	124.89	-	(3.15)	207.21	47,658	2,294,229	-	(592,517)	(164,821)	1,536,891	2,294,229	11,072
26-019	Wishek 19	220.91	8.54	(1.54)	310.41	36,020	3,436,860	-	(670,865)	(82,824)	2,683,171	3,436,860	11,072
27-001	McKenzie Co 1	2,117.03	235.37	9.63	2,623.31	106,428	29,045,288	-	(16,751,555)	(3,694,459)	8,599,275	29,045,288	11,072
27-002	Alexander 2	315.06	-	(7.76)	375.13	98,527	4,153,439	-	(2,217,627)	(1,031,551)	904,262	4,153,439	11,072
27-014	Yellowstone 14	175.42	5.63	31.37	250.41	52,638	2,772,540	-	(551,024)	(227,665)	1,993,851	2,772,540	11,072
27-018	Earl 18	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
27-032	Horse Creek 32	5.01	5.99	(2.99)	13.27	375,261	146,925	-	(146,925)	-	-	146,925	11,072
27-036	Mandaree 36	201.24	1.92	4.08	290.54	46,912	3,216,859	-	(817,785)	(441,875)	1,957,199	3,216,859	11,072
28-001	Wilton 1	272.06	-	0.94	352.88	39,275	3,907,087	-	(831,562)	(155,959)	2,919,566	3,907,087	11,072
28-004	Washburn 4	346.50	9.30	7.70	431.40	38,996	4,776,461	-	(1,009,384)	(235,243)	3,531,834	4,776,461	11,072
28-008	Underwood 8	186.59	-	-	261.50	59,580	2,895,328	86,781	(934,817)	(176,733)	1,870,559	2,982,109	11,404
28-050	Max 50	135.24	-	-	222.25	44,619	2,460,752	9,307	(594,989)	(154,483)	1,720,586	2,470,059	11,114
28-051	Garrison 51	370.06	2.94	(6.94)	426.27	59,935	4,719,661	-	(1,532,901)	(274,346)	2,912,415	4,719,661	11,072
28-072	Turtle Lake-Mercer 72	181.67	-	(1.64)	256.10	58,716	2,835,539	-	(902,237)	(114,231)	1,819,071	2,835,539	11,072
28-085	White Shield 85	184.51	-	(12.49)	248.22	8,510	2,748,292	-	(126,741)	(102,098)	2,519,453	2,748,292	11,072
29-003	Hazen 3	567.97	17.42	-	655.94	25,715	7,262,568	-	(1,012,062)	(574,608)	5,675,897	7,262,568	11,072
29-027	Beulah 27	745.12	1.64	-	830.40	38,296	9,194,189	-	(1,908,051)	(874,009)	6,412,129	9,194,189	11,072
30-001	Mandan 1	4,363.07	97.25	(70.25)	4,935.43	37,000	54,645,081	-	(10,765,250)	(929,550)	42,950,281	54,645,081	11,072
30-004	Little Heart 4	28.40	-	(2.60)	44.53	60,131	493,036	33,841	(160,657)	(5,581)	360,639	526,877	11,832
30-013	Hebron 13	157.45	-	-	237.93	40,968	2,634,361	-	(584,845)	(206,534)	1,842,983	2,634,361	11,072
30-017	Sweet Briar 17	30.00	-	-	51.34	28,689	568,436	-	(88,374)	(2,273)	477,790	568,436	11,072
30-039	Flasher 39	247.78	19.22	-	351.49	24,653	3,891,697	-	(519,907)	(17,844)	3,353,946	3,891,697	11,072
30-048	Glen Ullin 48	134.65	-	-	221.48	55,819	2,452,227	-	(741,768)	(492,526)	1,217,932	2,452,227	11,072
30-049	New Salem-Almont 49	374.91	1.09	(1.09)	436.59	39,126	4,833,924	-	(1,024,916)	(593,747)	3,215,262	4,833,924	11,072
31-001	New Town 1	923.30	2.36	(21.36)	1,050.91	60,524	11,635,676	3,061,964	(3,816,290)	(10,881,350)	-	14,697,640	13,986
31-002	Stanley 2	758.71	18.08	(9.08)	863.28	79,172	9,558,236	53,655	(4,100,840)	(1,354,950)	4,156,102	9,611,891	11,134
31-003	Parshall 3	246.25	16.75	(24.75)	321.40	63,807	3,558,541	-	(1,230,451)	(462,253)	1,865,837	3,558,541	11,072



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32-001	Dakota Prairie 1	270.29	1.96	-	431.47	57,897	4,777,236	293,625	(1,498,855)	(55,768)	3,516,238	5,070,860	11,753
32-066	Lakota 66	175.76	14.24	-	272.76	43,824	3,019,999	-	(717,208)	(37,366)	2,265,425	3,019,999	11,072
33-001	Center-Stanton 1	258.40	-	1.76	344.32	41,956	3,812,311	-	(866,784)	(318,918)	2,626,609	3,812,311	11,072
34-006	Cavalier 6	363.71	-	-	424.25	41,602	4,697,296	-	(1,058,987)	(58,238)	3,580,071	4,697,296	11,072
34-019	Drayton 19	147.46	24.59	-	263.32	51,763	2,915,479	67,353	(817,675)	(26,254)	2,138,903	2,982,832	11,328
34-100	North Border 100	299.33	6.04	(3.04)	461.59	69,317	5,110,724	780,350	(1,919,773)	(69,849)	3,901,452	5,891,074	12,763
34-118	Valley-Edinburg 118	194.32	12.83	(6.83)	280.11	54,657	3,101,378	200,446	(918,603)	(46,978)	2,336,243	3,301,824	11,788
35-005	Rugby 5	577.91	-	(6.82)	642.48	49,424	7,113,539	-	(1,905,227)	(115,029)	5,093,283	7,113,539	11,072
36-001	Devils Lake 1	1,764.69	14.74	6.26	2,007.73	26,672	22,229,587	-	(3,213,063)	(253,163)	18,763,361	22,229,587	11,072
36-002	Edmore 2	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
36-044	Starkweather 44	47.45	6.55	-	99.68	69,749	1,103,657	63,943	(417,154)	(10,073)	740,373	1,167,600	11,713
37-006	Ft Ransom 6	14.48	-	-	24.92	175,631	275,914	80,074	(262,604)	(16,435)	76,949	355,989	14,285
37-019	Lisbon 19	603.52	-	-	684.55	32,438	7,579,338	-	(1,332,328)	(61,954)	6,185,056	7,579,338	11,072
37-024	Enderlin Area 24	311.22	-	(2.16)	381.48	48,382	4,223,747	-	(1,107,401)	(60,344)	3,056,001	4,223,747	11,072
38-001	Mohall-Lansford-Sherwood 1	293.58	-	(1.64)	366.37	67,653	4,056,449	93,474	(1,487,153)	(355,178)	2,307,591	4,149,922	11,327
38-026	Glenburn 26	241.95	0.36	(0.36)	325.74	35,518	3,606,593	-	(694,185)	(225,851)	2,686,557	3,606,593	11,072
39-008	Hankinson 8	243.12	1.23	0.77	335.96	44,507	3,719,749	-	(897,147)	(148,328)	2,674,274	3,719,749	11,072
39-018	Fairmount 18	92.50	6.08	-	173.20	39,220	1,917,670	-	(407,570)	(32,048)	1,478,052	1,917,670	11,072
39-028	Lidgerwood 28	176.44	-	-	260.10	34,849	2,879,827	-	(543,854)	(76,077)	2,259,897	2,879,827	11,072
39-037	Wahpeton 37	1,180.38	27.52	(13.52)	1,336.05	35,057	14,792,746	-	(2,810,301)	(224,518)	11,757,927	14,792,746	11,072
39-042	Wyndmere 42	263.53	-	2.53	358.99	42,796	3,974,737	-	(921,803)	(96,206)	2,956,728	3,974,737	11,072
39-044	Richland 44	283.84	2.17	(1.17)	366.75	42,070	4,060,656	-	(925,757)	(29,229)	3,105,670	4,060,656	11,072
40-001	Dunseith 1	446.77	44.80	-	565.82	8,510	6,264,759	101,790	(288,908)	(21,889)	6,055,752	6,366,549	11,252
40-003	St John 3	419.46	18.86	-	496.23	8,510	5,494,259	-	(253,375)	(62,752)	5,178,132	5,494,259	11,072
40-004	Mt Pleasant 4	235.98	4.29	(13.29)	307.04	49,555	3,399,547	-	(912,923)	(200,244)	2,286,381	3,399,547	11,072
40-007	Belcourt 7	1,676.50	-	-	1,874.50	8,510	20,754,464	-	(957,120)	-	19,797,344	20,754,464	11,072
40-029	Rolette 29	132.61	-	-	216.46	33,413	2,396,645	8,761	(433,959)	(23,144)	1,948,303	2,405,406	11,112
41-002	Milnor 2	215.55	-	3.70	305.14	29,880	3,378,510	-	(547,049)	(11,050)	2,820,410	3,378,510	11,072
41-003	North Sargent 3	177.91	7.38	-	270.02	32,866	2,989,661	-	(532,468)	(8,340)	2,448,854	2,989,661	11,072
41-006	Sargent Central 6	178.43	-	(1.70)	251.42	77,549	2,783,722	236,251	(1,169,846)	(42)	1,850,086	3,019,973	12,012
42-029	McClusky-Goodrich 29	94.05	11.95	-	197.35	57,624	2,185,059	65,466	(682,325)	(46,339)	1,521,861	2,250,525	11,404
43-003	Solen 3	196.96	5.04	-	284.94	9,307	3,154,856	-	(159,117)	(33,970)	2,961,769	3,154,856	11,072
43-004	Ft Yates 4	57.41	-	4.14	115.33	13,397	1,276,934	287,761	(92,701)	(23,078)	1,448,916	1,564,695	13,567





**State School Aid Adequacy Formula**  
North Dakota Department of Public Instruction  
School Finance

School Year 2024-2025  
Payment Month March

**\$11,072      102%      60      75%**

CoDist	Entity Name	ADM	On Time WSU	Spring ADM Adj	wsu	Tax Base per wsu	Total Formula Amount	Transition Minimum	Contribution from Property Tax	Contribution from In-Lieu	Total State Aid	Total State/Local Funding	State /Local Funding per wsu
43-008	Selfridge 8	60.08	15.92	-	146.98	30,567	1,627,363	-	(269,562)	(9,724)	1,348,077	1,627,363	11,072
44-012	Marmarth 12	29.26	-	-	54.73	56,449	605,971	-	(181,472)	(75,159)	349,341	605,971	11,072
45-001	Dickinson 1	4,058.07	102.34	7.66	4,657.40	36,814	51,566,733	-	(10,121,831)	(2,682,766)	38,762,136	51,566,733	11,072
45-009	South Heart 9	401.80	26.59	(1.59)	477.91	46,042	5,291,420	-	(1,313,909)	(377,941)	3,599,570	5,291,420	11,072
45-013	Belfield 13	255.59	-	(11.92)	324.31	41,625	3,590,760	-	(809,973)	(404,785)	2,376,003	3,590,760	11,072
45-034	Richardton-Taylor 34	313.71	11.60	(3.60)	389.77	37,844	4,315,533	-	(885,018)	(414,856)	3,015,659	4,315,533	11,072
46-019	Finley-Sharon 19	84.54	3.61	-	165.45	76,593	1,831,862	295,611	(760,341)	(29,965)	1,337,168	2,127,474	12,859
47-001	Jamestown 1	2,038.77	-	-	2,280.46	38,115	25,249,253	-	(5,215,224)	(386,287)	19,647,742	25,249,253	11,072
47-003	Medina 3	189.66	9.72	-	278.98	37,049	3,088,867	-	(620,154)	(30,492)	2,438,220	3,088,867	11,072
47-010	Pingree-Buchanan 10	153.29	-	(1.67)	230.27	44,128	2,549,549	-	(609,683)	(21,755)	1,918,112	2,549,549	11,072
47-014	Montpelier 14	96.35	-	-	166.97	45,304	1,848,692	-	(453,867)	(10,473)	1,384,352	1,848,692	11,072
47-019	Kensal 19	25.51	0.54	-	44.82	130,370	496,247	126,722	(350,590)	(24,047)	248,332	622,969	13,899
48-010	North Star 10	287.81	-	3.68	367.87	56,679	4,073,057	-	(1,251,028)	(9,568)	2,812,461	4,073,057	11,072
49-003	Central Valley 3	212.24	-	-	291.96	56,861	3,232,581	-	(996,060)	(46,211)	2,190,309	3,232,581	11,072
49-007	Hatton Eielson 7	162.78	-	-	241.82	42,867	2,677,431	-	(621,966)	(36,349)	2,019,117	2,677,431	11,072
49-009	Hillsboro 9	482.49	3.05	-	542.98	46,320	6,011,875	-	(1,509,046)	(88,294)	4,414,534	6,011,875	11,072
49-014	May-Port CG 14	507.01	6.59	2.41	578.16	47,486	6,401,388	-	(1,647,279)	(112,681)	4,641,427	6,401,388	11,072
50-005	Fordville-Lankin 5	49.13	0.87	(3.87)	80.21	82,212	888,085	236,655	(395,654)	(15,760)	713,325	1,124,740	14,022
50-008	Park River Area 8	442.52	-	-	505.00	32,287	5,591,360	-	(978,307)	(59,507)	4,553,546	5,591,360	11,072
50-018	Grafton 18	887.60	24.24	(21.24)	1,082.11	23,642	11,981,122	-	(1,535,010)	(80,976)	10,365,136	11,981,122	11,072
50-020	Minto 20	274.88	9.12	(15.12)	352.56	21,978	3,903,544	-	(464,922)	(18,244)	3,420,378	3,903,544	11,072
51-001	Minot 1	7,555.27	86.14	-	8,511.61	28,439	94,240,546	-	(14,407,603)	(2,188,260)	77,644,683	94,240,546	11,072
51-004	Nedrose 4	572.82	-	2.00	647.35	40,577	7,167,459	-	(1,576,035)	(40,375)	5,551,050	7,167,459	11,072
51-007	United 7	696.23	-	(2.34)	767.74	29,556	8,500,417	-	(1,361,457)	(64,617)	7,074,343	8,500,417	11,072
51-016	Sawyer 16	67.35	17.81	-	144.57	53,043	1,600,679	514,193	(460,109)	(44,679)	1,610,085	2,114,872	14,629
51-028	Kenmare 28	260.63	16.37	-	363.93	53,179	4,029,433	-	(1,161,197)	(153,434)	2,714,802	4,029,433	11,072
51-041	Surrey 41	406.19	9.42	2.58	466.97	24,982	5,170,292	-	(699,946)	(51,194)	4,419,152	5,170,292	11,072
51-070	South Prairie 70	543.31	6.69	1.31	619.68	23,852	6,861,097	-	(886,820)	(89,176)	5,885,101	6,861,097	11,072
51-161	Lewis and Clark 161	373.54	9.46	-	525.54	58,580	5,818,779	45,775	(1,847,163)	(209,026)	3,808,365	5,864,554	11,159
52-025	Fessenden-Bowdon 25	183.08	-	3.00	262.70	75,078	2,908,614	135,641	(1,183,374)	(30,369)	1,830,513	3,044,255	11,588
52-038	Harvey 38	392.80	-	-	451.66	53,271	5,000,780	-	(1,443,617)	(105,826)	3,451,337	5,000,780	11,072
53-002	Nesson 2	436.89	-	(3.00)	487.75	123,338	5,400,368	-	(3,586,121)	(1,332,030)	482,218	5,400,368	11,072
53-006	Eight Mile 6	325.67	-	(1.53)	389.18	29,379	4,309,001	-	(686,015)	(535,317)	3,087,670	4,309,001	11,072



**State School Aid Adequacy Formula**  
North Dakota Department of Public Instruction  
School Finance

School Year 2024-2025  
Payment Month March

**\$11,072**      **102%**      **60**      **75%**

CoDist	Entity Name	ADM	On Time WSU	Spring ADM Adj	wsu	Tax Base per wsu	Total Formula Amount	Transition Minimum	Contribution from Property Tax	Contribution from In-Lieu	Total State Aid	Total State/Local Funding	State /Local Funding per wsu
53-007	Williston Basin 7	5,236.93	149.36	(8.36)	6,240.02	39,420	69,089,501	-	(14,759,038)	(5,115,990)	49,214,474	69,089,501	11,072
53-015	Tioga 15	515.96	18.56	(17.56)	579.22	176,432	6,413,124	263,298	(6,054,847)	(621,575)	-	6,676,422	11,527
53-099	Grenora 99	160.70	0.65	(6.65)	232.93	92,778	2,579,001	155,377	(1,296,652)	(426,743)	1,010,984	2,734,378	11,739
	Statewide	116,579.22	2,116.70	(440.32)	139,270.37	42,554	1,542,001,537	11,842,376	(353,909,208)	(62,914,271)	1,137,020,433	1,553,843,912	11,157
Counts								50	166	164	162		

Notes:

CoDist	District State Issued ID
Entity Name	District Name
ADM	Average Daily Membership
On Time WSU	Number of students the fall enrollment exceeds the previous year's ADM
Spring ADM Adj	Adjusting fall enrollment funding to spring ADM
wsu	Weighted students units generated in the state school aid formula.
Tax Base per wsu	The school district's taxable valuation divided by wsu, if less than 20% of the state average Tax Base per wsu then the state average is used.
Total Formula Amount	\$11,072 adequacy rate times wsu.
Transition Minimum	Minimum funding per weighted student unit adjustment based on the baseline State/Local funding level. Cannot be less than baseline state/local funding.
Contribution from Property Tax	60 mill assumed contribution times Taxable Valuation.
Contribution from In-Lieu	0.75 of Tuition, County, REC, Telecommunications, Mobile Home and Other Local In-lieu revenue.
EFB Offset	Excess Ending Fund Balance offset.
Total State Aid	Total State Aid payment.
Total State/Local Funding	Total State Aid, Contribution from Property Tax and Contribution from In-Lieu
State /Local Funding per wsu	Total State/Local Funding divided by wsu.



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*Great Public Schools**Great Public Service*

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**Testimony Before the Senate Education Committee  
HB 1369  
Monday, March 17, 2025**

Chairman Beard and members of the Senate Education Committee, I am ND United president, Nick Archuleta, and I am here today to urge a ***do pass*** recommendation for HB 1369 and to respectfully request an amendment to HB 1369 that increases the allocation to the K-12 Funding Formula from 2 percent each year of the coming biennium to 4 percent each year of the coming biennium.

Members of the Committee, as I am sure you know, North Dakota's schools have not been immune from the inflation that has increased the cost of about everything these past few years. Inflation has driven up the costs of everything that schools need to function well. While inflation has eased, it is still at a stubborn 2.9%, and given the current state of the global economy, easing inflation is certainly not a guarantee. At the last interim education funding committee meeting, it was noted that given the increased contribution from the Common Schools Trust Fund and other factors, a 4 and 4 increase was quite doable.

Mr. Chairman, in the past 10 years, food prices are up 31.5%. Gas prices are up 43.7%. Teachers' salaries have increased just 1.68% per year from 2013-2024. I am confident that North Dakota can do better than 2 and 2 for schools and professionals who do the hard and important work of educating our future.

With that, Chairman Beard, and members of the Committee, I urge a do pass recommendation for HB 1369 and respectfully ask that you consider an amendment to increase the allocation to 4% for each year of the upcoming biennium.



## 1    **HB 1369 – The Need for Increased Per Pupil Funding, SPED, and EL Support**

### 2    **Chair and Members of the Committee,**

3    I come before you today to urge this body to reconsider the proposed **2% per-pupil increase** in  
 4    **HB 1369** and the **lack of growth in funding for Special Education (SPED) and English**  
 5    **Learner (EL) services**. Our public schools are among the best in the nation, yet they are  
 6    operating under significant financial strain—struggling to meet the needs of students with  
 7    increasingly limited resources.

### 8    **A History of Underfunding**

9    In 2013, when North Dakota’s school funding formula was revamped, the legislature recognized  
 10    that **per-pupil funding should increase by at least 3% annually to keep pace with inflation**.  
 11    Yet, the reality has been starkly different:

- 12        • Over the past **12 years, per-pupil funding has increased by an average of only 1.85%**  
 13        **per year**—well below inflation and far from what was projected to sustain quality  
 14        education.
- 15        • Over the past **10 years, teacher salaries have grown by an average of just 1.68% per**  
 16        **year**—a rate that lags significantly behind other sectors and makes recruitment and  
 17        retention an increasing challenge.
- 18        • Meanwhile, **SPED funding remains stagnant at only 35% of actual costs, and EL**  
 19        **funding continues to be severely underfunded**, leaving districts struggling to provide  
 20        critical services.

### 21    **The Funding Disparity in HB 1369**

22    While K-12 public schools are being asked to **operate under a 2% per-pupil increase**, the  
 23    conversation around state funding includes:

- 24        • **State employees projected to receive a 4% increase,**
- 25        • **Higher education receiving a 4% increase,**
- 26        • **A push to fund ESA (Education Savings Accounts) or voucher programs, which**  
 27        **would direct public funds away from the 93% of North Dakota students who attend**  
 28        **public schools.**

29    If public schools receive **only 2%**—with no increase for SPED or EL—while other areas of  
 30    government and education receive **double that amount**, it sends a clear message about our  
 31    priorities. Adding to this concern, **the same legislature that rejected funding for school meals**  
 32    **for children is now considering shifting money toward ESAs, while claiming that public**  
 33    **schools are not being harmed in the process**. That is a difficult narrative for the voters of  
 34    North Dakota to align with.

*NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality education  
 for all students in North Dakota.*

*Executive Director: Aimee Copas-----Government Lead and Special Projects: Kevin Hoferz*



## The Urgent Need to Act

North Dakota's public schools have consistently delivered **outstanding results** despite these funding constraints. We rank **#2 in the nation for math achievement in grades 4 and 8** and have demonstrated **incredible innovation in education**. But **excellence cannot be sustained on inadequate funding**.

- **We cannot continue to expect great educators to remain in this profession when their pay increases lag behind other sectors year after year.**
- **We cannot meet the diverse needs of students if SPED and EL programs remain painfully short on funding.**
- **We cannot ask public schools to do more with less while simultaneously diverting public dollars elsewhere.**

## A Call to Invest in Public Schools, Not Just Talk About It

Public education is the backbone of our communities, workforce, and economy. If we believe in its value, we must fund it accordingly. A **2% increase** simply does not reflect the reality of inflation or the growing needs of our students and educators.

I respectfully urge you to:

- ✓ **Increase the per-pupil funding beyond 2% to reflect inflationary needs.**
- ✓ **Commit to additional funding for SPED and EL services** so students receive the support they require.
- ✓ **Prioritize public school investment over ESA programs that divert funds from the 93% of students in public schools.**

Voters in North Dakota understand the value of strong public schools. They will also recognize when the funding narrative does not align with the realities in their communities.

Thank you for your time and your commitment to North Dakota's students and educators.





**NDSBA**  
**NORTH DAKOTA SCHOOL  
BOARDS ASSOCIATION**

1224 West Owens Avenue  
Bismarck ND 58501  
1-800-932-8791 • (701)255-4127  
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**HB 1369**  
**Testimony of Amy De Kok**  
**Senate Education Committee**  
**March 17, 2025**

Chairman Beard and members of the Senate Education Committee, my name is Amy De Kok, and I am the Executive Director for the North Dakota School Boards Association (NDSBA). NDSBA represents all 168 public school districts and their governing boards. I am here in support of HB 1369 with a few additional requests. As a strong advocate for K-12 public education, NDSBA appreciates the Legislature's commitment to ensuring that all students in North Dakota receive a quality education through a well-funded and equitable school finance system. HB 1369 is a crucial piece of legislation that seeks to sustain and enhance our public education funding. While we fully support its intent, I respectfully urge the committee to consider amending the bill in the following ways:

**Increase Per-Pupil Payment to 4% Annually**

The current version of HB 1369 provides for a 2% increase in per-pupil funding for each year of the 2025-2027 biennium. However, given the available financial resources, I respectfully request that the committee increase the per-pupil payment by 4% each year. North Dakota has a unique opportunity to make this adjustment without requiring additional general fund dollars due to increased revenue streams:

- Higher input from the Common Schools Trust Fund provides a significant boost to education funding.
- K-12 turnback funds from last session create additional capacity to enhance per-pupil funding while maintaining fiscal responsibility.

A 4% increase would allow schools to better address inflationary pressures, attract and retain high-quality educators, and provide the necessary resources for student success.

**Increase EL and SPED Weighting Factors**

In addition to adjusting the per-pupil increase, I urge the committee to increase the weighting factors for English Learners (EL) and special education students in the funding formula. These student populations require additional resources and support services to ensure they receive the quality education they deserve. By adjusting these weighting factors, school districts will be better equipped to:

- Hire and retain qualified EL and SPED educators.
- Provide necessary instructional and support services.
- Address the growing demand for specialized education programs.

#### **Restore \$100 Million for School Construction Loans**

HB 1369 currently provides for a \$75 million transfer from the Foundation Aid Stabilization Fund to the School Construction Assistance Revolving Loan Fund. However, this amount was originally proposed at in the bill's initial draft. I respectfully request that the committee amend the bill to restore the full \$100 million transfer to better meet the ongoing and urgent facility needs of school districts, particularly in rural areas.

Many schools, especially in rural North Dakota, are operating in outdated or deteriorating buildings that no longer meet modern safety, efficiency, or instructional standards. Rising construction costs make it difficult for districts to finance necessary renovations or new construction. Providing low-interest loans through the School Construction Revolving Loan Fund enables districts to address these needs without placing an excessive burden on local taxpayers. Restoring the original \$100 million allocation would provide a stronger and more flexible funding source for school districts in desperate need of facility improvements.

#### **Conclusion**

By amending HB 1369 to: (1) increase per-pupil funding by 4% annually, (2) enhance EL and special education weighting factors, and (3) restore the full \$100 million transfer for school construction loans, the Legislature can make a lasting impact on North Dakota's public education system. These adjustments are fiscally responsible, address the real needs of our students and educators, and ensure that schools—especially in rural areas—have the resources and infrastructure necessary to provide a high-quality learning environment.

I respectfully ask for your consideration of these amendments and appreciate your dedication to the future of North Dakota's students. Thank you for your time and commitment to strengthening our public education system.

Good morning, Chairman Beard and members of the Senate Education Committee. My name is Mike McNeff, and I serve as the superintendent of Rugby Public Schools. I appreciate the opportunity to testify today in support of HB 1369. An amendment was added on the House side to include a 3-year rolling average for Average Daily Membership (ADM) to provide greater stability and predictability in school funding. I will share some information on why that is important for declining enrollment schools such as mine.

Additionally, I urge this committee to support a 3% and 3% increase in the per-pupil payment, ensuring that all school districts whether growing, stable, or declining in enrollment have the necessary resources to sustain quality education.

Importance of the 3-year rolling average for ADM:

ADM is the foundation of the school funding formula, determining the total number of students enrolled and generating per-pupil payments that fund staffing, programming, and student services. Many districts across North Dakota experience fluctuations in enrollment, which can lead to unpredictable funding levels year over year.

The amendment allows districts to calculate funding based on the greater of a 3-year rolling average ADM or the previous year's ADM if they experienced a decline in enrollment. This adjustment prevents districts from experiencing sudden reductions in funding due to enrollment declines, while still allowing them to benefit from growth if enrollment stabilizes or increases. By applying the current per-pupil payment to the higher of these two figures, the formula becomes more adaptable to district realities.

Let's use Rugby as an example to illustrate how the proposed amendment would work. In the 2025-2026 fiscal year, Rugby's projected ADM is 561.73. In the previous three years, Rugby's ADM was 581.1 in FY23, 575.21 in FY24, and 578.05 in FY25. Under the current system, funding for FY26 would be based on 561.73 ADM, reflecting the full decline in enrollment. However, with this amendment, funding would instead be calculated using the 3-year rolling average of 578.12 ADM, providing greater stability. This ensures the district receives funding based on a more stable and representative figure, rather than facing an abrupt reduction. By preventing steep, immediate cuts, this adjustment helps mitigate the financial impact of declining enrollment, allowing the district to maintain critical programming, staffing, and resources without making sudden reductions.

Without this adjustment, districts facing declining ADM encounter serious challenges. A drop in ADM leads to a loss of funding, even though fixed costs such as transportation, facilities, and staffing remain constant. This creates a misalignment between financial reality and community expectations. Teachers, for instance, often hear about a 2% increase in per-pupil funding and understandably anticipate salary or benefit increases. However, for districts with declining ADM, those increases are absorbed by enrollment losses, creating a financial disconnect. Additionally, abrupt drops in ADM force districts to make sudden cuts to programs and staff, disrupting services and negatively impacting student outcomes.

Recommendation: A 3% and 3% Increase in Per-Pupil Funding

While this amendment provides stability for declining enrollment districts, it does not address the broader financial challenges facing all North Dakota schools. Rising costs due to inflation, salary competitiveness, and student service demands require additional support.

In conclusion, the 3-year rolling average ADM amendment in HB 1369 provides a necessary solution for school districts navigating declining enrollment. It stabilizes funding and allows for better long-term planning. Additionally, a 3% and 3% per-pupil increase ensures that all districts, regardless of enrollment trends, can meet the rising costs of education.

I appreciate your time and consideration and respectfully urge your support for this amendment and an increase in per-pupil funding. I am happy to answer any questions.

## Amendment to HB 1369

Page 13:

3           thousand dollars. The threshold for procuring plans, drawings, and specifications, ~~and~~  
4           ~~bonding~~ from an architect or engineer for construction of a public improvement is two

add to Page 13 and renumber accordingly:

**11   48-01.2-10. Bonds from contractors for public improvements.**

- 12   1.     Unless otherwise provided under this chapter, a governing body authorized to enter a  
13         contract for the construction of a public improvement in excess of two hundred ~~fifty~~  
14         thousand dollars shall take from the contractor a bond before permitting any work to be  
15         done on the contract. The bond must be for an amount equal at least to the price stated in  
16         the contract. The bond must be conditioned to be void if the contractor and all  
17         subcontractors fully perform all terms, conditions, and provisions of the contract and pay  
18         all bills or claims on account of labor performed and any supplies, and materials furnished  
19         and used in the performance of the contract, including all demands of subcontractors. The  
20         requirement that bills and claims be paid must include the requirement that interest of the  
21         amount authorized under section 13-01-14 be paid on bills and claims not paid within  
22         ninety days. The bond is security for all bills, claims, and demands until fully paid, with  
23         preference to labor and material suppliers as to payment. The bond must run to the  
24         governing body, but any person having a lawful claim against the contractor or any  
25         subcontractor may sue on the bond.
- 26   2.     A governing body may not require any person required to provide a surety bond to obtain the  
27         surety bond from a specified insurance or surety company or insurance producer or to  
28         submit financial data to the company or producer.



# 2025 SENATE STANDING COMMITTEE MINUTES

## Education Committee Room JW216, State Capitol

HB 1369  
3/26/2025

Relating to the determination of state aid, the calculation of average daily membership, public improvement construction, and school district levies; to provide for a transfer; and to provide an effective date.

2:35 p.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

### Discussion Topics:

- Homestead and Veterans Credit
- Align collection of Tax Department and Department of Public Instruction
- 3 year rolling average
- New section 5
- Renumbering of bill
- Strike "and bonding"

2:35 p.m. Chairman Beard opened discussion on this bill with possible amendment to remove "and bonding".

2:38 p.m. Adam Tescher, School Finance Officer Department of Public Instruction, answered questions from the committee.

2:54 p.m. Senator Boschee moved to amend to increase 4% and 4%.

2:56 p.m. Senator Lemm seconded the motion.

Senators	Vote
Senator Todd Beard	N
Senator Randy D. Lemm	Y
Senator Michelle Axtman	N
Senator Josh Boschee	Y
Senator Justin Gerhardt	N
Senator Mike Wobbema	N

Motion Failed 2-4-0

3:00 p.m. Senator Gerhardt moved to amend to strike "and bonding".

3:00 p.m. Senator Axtman seconded the motion.

Senators	Vote
Senator Todd Beard	Y

Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Bosch	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

3:04 p.m. Senator Axtman explained proposed amendment and submitted testimony #44205.

3:07 p.m. Senator Axtman moved to further amend with a new section 5 and renumbering.

3:07 p.m. Senator Bosch seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Bosch	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

3:48 p.m. Senator Gerhardt moved to further amend on page 12 remove section 2.

3:48 p.m. Senator Axtman seconded the motion.

Senators	Vote
Senator Todd Beard	N
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Bosch	N
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 4-2-0

3:52 p.m. Senator Gerhardt moved Do Pass as amended and rerefer to Appropriations.

3:52 p.m. Senator Axtman seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Bosch	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

Senator Axtman will carry the bill.

3:55 p.m. Chairman Beard closed the hearing.

*Susan Helbling, Committee Clerk*

March 26, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
SECOND ENGROSSMENT**

VC 3/26/25  
1 of 15

**REENGROSSED HOUSE BILL NO. 1369**

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~ 15.1-32-19,  
2 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the  
3 determination of state aid, ~~the calculation of average daily membership~~ boarding care costs,  
4 public improvement construction, bonds from contractors for public improvements, and school  
5 district levies; to provide for a transfer; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
10 **through June 30, 2025) (Retroactive application - See note)**

- 11 ~~1. To determine the amount of state aid payable to each district, the superintendent of~~  
12 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
13 ~~funding consists of:~~
- 14 ~~a. All state aid received by the district in accordance with chapter 15.1-27 during the~~  
15 ~~2018-19 school year;~~
  - 16 ~~b. An amount equal to the property tax deducted by the superintendent of public~~  
17 ~~instruction to determine the 2018-19 state aid payment;~~
  - 18 ~~c. An amount equal to seventy-five percent of the revenue received by the school~~  
19 ~~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. For the 2023-24 school year the  
6           superintendent shall ~~reduce the district's baseline funding per weighted student~~  
7           unit by forty percent of the amount by which the district's baseline funding per  
8           weighted student unit exceeds the payment per weighted student unit for the  
9           2023-24 school year. For each year thereafter, the reduction percentage is  
10          increased by an additional fifteen percent. However, the district's baseline funding  
11          per weighted student unit, after the reduction, may not be less than the payment  
12          per weighted student unit provided in subsection 3.
- 13       3.   a.   For the 2023-24 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 six hundred  
16               forty-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               six hundred forty-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 forty percent and  
25               then the difference added to the amount determined in paragraph 1.
- 26       b.   For the 2024-25 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 eleven thousand  
29               seventy-two 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 eleven thousand~~  
4                   ~~seventy-two 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 fifty-five percent for~~  
7                   ~~the 2024-25 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           4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
11           ~~public instruction shall:~~

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

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

21           (1) ~~Tuition revenue shall be adjusted as follows:~~

22                   (a) ~~In addition to deducting tuition revenue received specifically for the~~  
23                   ~~operation of an educational program provided at a residential~~  
24                   ~~treatment facility, tuition revenue received for the provision of an adult~~  
25                   ~~farm management program, tuition received for the education of~~  
26                   ~~high-cost and special education students, and tuition received under~~  
27                   ~~an agreement to educate students from a school district on an~~  
28                   ~~air force base with funding received through federal impact aid as~~  
29                   ~~directed each school year in paragraph 3 of subdivision c of~~  
30                   ~~subsection 1, the superintendent of public instruction also shall reduce~~  
31                   ~~the total tuition reported by the school district by the amount of tuition~~

1 revenue received for the education of students not residing in the  
2 state and for which the state has not entered a cross-border education  
3 contract; and

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

9 (2) After adjusting tuition revenue as provided in paragraph 1, the  
10 superintendent shall reduce all remaining revenues from all revenue types  
11 by the percentage of mills levied in 2022 by the school district for sinking  
12 and interest relative to the total mills levied in 2022 by the school district for  
13 all purposes.

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

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

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

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

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

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

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



- 1        1. To determine the amount of state aid payable to each district, the superintendent of
- 2            public instruction shall establish each district's baseline funding. A district's baseline
- 3            funding consists of:
- 4            a. All state aid received by the district in accordance with chapter 15.1-27 during the
- 5                2018-19 school year;
- 6            b. An amount equal to the property tax deducted by the superintendent of public
- 7                instruction to determine the 2018-19 state aid payment;
- 8            c. An amount equal to seventy-five percent of the revenue received by the school
- 9                district during the 2017-18 school year for the following revenue types:
- 10                (1) Revenue reported under code 2000 of the North Dakota school district
- 11                        financial accounting and reporting manual, as developed by the
- 12                        superintendent of public instruction in accordance with section 15.1-02-08;
- 13                (2) Mineral revenue received by the school district through direct allocation from
- 14                        the state treasurer and not reported under code 2000 of the North Dakota
- 15                        school district financial accounting and reporting manual, as developed by
- 16                        the superintendent of public instruction in accordance with section
- 17                        15.1-02-08;
- 18                (3) Tuition reported under code 1300 of the North Dakota school district
- 19                        financial accounting and reporting manual, as developed by the
- 20                        superintendent of public instruction in accordance with section 15.1-02-08,
- 21                        with the exception of revenue received specifically for the operation of an
- 22                        educational program provided at a residential treatment facility, tuition
- 23                        received for the provision of an adult farm management program, and
- 24                        beginning in the 2025-26 school year, eighty-five percent of tuition received
- 25                        under an agreement to educate students from a school district on an
- 26                        air force base with funding received through federal impact aid, until the
- 27                        2026-27 school year, and each school year thereafter, when all tuition
- 28                        received under an agreement to educate students from a school district on
- 29                        an air force base with funding received through federal impact aid must be
- 30                        excluded from the tuition calculation under this paragraph;



- 1 (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 2 of electric power;
- 3 (5) Revenue from payments in lieu of taxes on electricity generated from
- 4 sources other than coal; and
- 5 (6) Revenue from the leasing of land acquired by the United States for which
- 6 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 7 d. An amount equal to the total revenue received by the school district during the
- 8 2017-18 school year for the following revenue types:
- 9 (1) Mobile home tax revenue;
- 10 (2) Telecommunications tax revenue; and
- 11 (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 12 homestead credit and disabled veterans credit; and
- 13 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 14 baseline funding for any school district that becomes an elementary district
- 15 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 16 be proportional to the number of weighted student units in the grades that are
- 17 offered through another school district relative to the total number of weighted
- 18 student units the school district offered in the year before the school district
- 19 became an elementary district. The reduced baseline funding applies to the
- 20 calculation of state aid for the first school year in which the school district
- 21 becomes an elementary district and for each year thereafter. For districts that
- 22 become an elementary district prior to the 2020-21 school year, the
- 23 superintendent shall use the reduced baseline funding to calculate state aid for
- 24 the 2020-21 school year and for each year thereafter.
- 25 2. a. The superintendent shall divide the district's baseline funding determined in
- 26 subsection 1 by the district's 2017-18 weighted student units to determine the
- 27 district's baseline funding per weighted student unit.
- 28 b. For any school district that becomes an elementary district pursuant to section
- 29 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 30 district's baseline funding per weighted student unit used to calculate state aid.
- 31 The superintendent shall divide the district's baseline funding determined in

subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid as the greater of:

- (1) The district's weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand two hundred ninety-three dollars;
- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand two hundred ninety-three dollars; or
- (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent and then the difference added to the amount determined in paragraph 1.



- 1           b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
2           superintendent shall calculate state aid as the greater of:
- 3           (1) The district's weighted student units multiplied by eleven thousand  
4           ~~seventy-two~~five hundred nineteen dollars;
- 5           (2) One hundred two percent of the district's baseline funding per weighted  
6           student unit, as established in subsection 2, multiplied by the district's  
7           weighted student units, not to exceed the district's 2017-18 baseline  
8           weighted student units, plus any weighted student units in excess of the  
9           2017-18 baseline weighted student units multiplied by eleven thousand  
10          ~~seventy-two~~five hundred nineteen dollars; or
- 11          (3) The district's baseline funding as established in subsection 1 less the  
12          amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
13          percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
14          increasing by fifteen percent each school year thereafter until the difference  
15          is reduced to zero, and then the difference added to the amount determined  
16          in paragraph 1.
- 17        4. After determining the product in accordance with subsection 3, the superintendent of  
18        public instruction shall:
- 19        a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
20        school district; and
- 21        b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
22        ~~subdivisions c and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
23        subsection 1 and revenue from payments in lieu of taxes. Before determining the  
24        deduction for seventy-five percent of all revenue types, the superintendent of  
25        public instruction shall adjust revenues as follows:
- 26        (1) Tuition revenue shall be adjusted as follows:
- 27           (a) In addition to deducting tuition revenue received specifically for the  
28           operation of an educational program provided at a residential  
29           treatment facility, tuition revenue received for the provision of an adult  
30           farm management program, tuition received for the education of  
31           high-cost and special education students, and tuition received under

1 an agreement to educate students from a school district on an  
2 air force base with funding received through federal impact aid as  
3 directed each school year in paragraph 3 of subdivision c of  
4 subsection 1, the superintendent of public instruction also shall reduce  
5 the total tuition reported by the school district by the amount of tuition  
6 revenue received for the education of students not residing in the  
7 state and for which the state has not entered a cross-border education  
8 contract; and

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

14 (2) After adjusting tuition revenue as provided in paragraph 1, the  
15 superintendent shall reduce all remaining revenues from all revenue types  
16 by the percentage of mills levied in ~~2022~~2024 by the school district for  
17 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
18 school district for all purposes.

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

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

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

28 a. The amount of revenue received by each school district in the county during the  
29 previous school year for each type of revenue identified in subdivisions c and d of  
30 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.

~~**SECTION 2. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:~~

~~**15.1-27-35. Average daily membership - Calculation.**~~

~~1. Average daily membership is calculated at the conclusion of the school year by adding the total number of hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:~~

~~a. Nine hundred sixty two and one-half hours for elementary school students; or~~

~~b. One thousand fifty hours for middle and high school students.~~

~~2. For purposes of calculating average daily membership:~~

~~a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:~~

~~a. The amount calculated in subsections 1 and 2 of this section; or~~



~~b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.~~

**SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-19. Boarding care costs - Reimbursement of school district.**

The superintendent of public instruction shall reimburse a student's school district of residence an amount equal to eighty percent of the room and board costs paid by the district for a student with disabilities who is placed in a facility that is located either within or outside of the student's school district of residence in order to receive special education services. The student's school district of residence is liable for any room and board costs in excess of those reimbursed as provided in this section. The placement of a student with disabilities in a public or private facility will be made by a school district and approved by the superintendent of public instruction. ~~The placement superintendent of a student with disabilities in congregate care will be made in a facility designated by public instruction~~ may consult with the commissioner of the department of health and human services on congregate care facilities.

**SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, and specifications, and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 4. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is amended and reenacted as follows:



**48-01.2-10. Bonds from contractors for public improvements.**

1. Unless otherwise provided under this chapter, a governing body authorized to enter a contract for the construction of a public improvement in excess of two hundred fifty thousand dollars shall take from the contractor a bond before permitting any work to be done on the contract. The bond must be for an amount equal at least to the price stated in the contract. The bond must be conditioned to be void if the contractor and all subcontractors fully perform all terms, conditions, and provisions of the contract and pay all bills or claims on account of labor performed and any supplies, and materials furnished and used in the performance of the contract, including all demands of subcontractors. The requirement that bills and claims be paid must include the requirement that interest of the amount authorized under section 13-01-14 be paid on bills and claims not paid within ninety days. The bond is security for all bills, claims, and demands until fully paid, with preference to labor and material suppliers as to payment. The bond must run to the governing body, but any person having a lawful claim against the contractor or any subcontractor may sue on the bond.
2. A governing body may not require any person required to provide a surety bond to obtain the surety bond from a specified insurance or surety company or insurance producer or to submit financial data to the company or producer.

**SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and

1 used in accordance with this subsection. The proceeds may not be transferred into  
2 any other fund.

3 3. The board of a school district may levy no more than three mills on the taxable  
4 valuation of the district for deposit into a special reserve fund, in accordance with  
5 chapter 57-19.

6 4. The board of a school district may levy no more than the number of mills necessary,  
7 on the taxable valuation of the district, for the payment of tuition, in accordance with  
8 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
9 known as the tuition fund and used in accordance with this subsection. The proceeds  
10 may not be transferred into any other fund.

11 5. The board of a school district may levy no more than five mills on the taxable valuation  
12 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
13 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
14 deposited into a special fund known as the school safety plan fund and used in  
15 accordance with this subsection.

16 6. Nothing in this section limits the board of a school district from levying:  
17 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
18 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
19 including the mills necessary to pay principal and interest on any bonded debt  
20 incurred under section 57-15-17.1 before July 1, 2013.

21 **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

22 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
23 budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the  
24 school construction assistance revolving loan fund during the biennium beginning July 1, 2025,  
25 and ending June 30, 2027.

26 **SECTION 7. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years  
27 beginning after December 31, 2024.

**REPORT OF STANDING COMMITTEE  
REENGROSSED HB 1369**

**Education Committee (Sen. Beard, Chairman)** recommends **AMENDMENTS** ([25.0716.04002](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1369 was placed on the Sixth order on the calendar. This bill does not affect workforce development.



1B1369  
3.26.25 P.M  
Senator  
Axtman

safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be deposited into a special fund known as the school safety plan fund and used in accordance with this subsection.

6. Nothing in this section limits the board of a school district from levying:

- a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.

**SECTION 5. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-19. Boarding care costs - Reimbursement of school district.**

The superintendent of public instruction shall reimburse a student's school district of residence an amount equal to eighty percent of the room and board costs paid by the district for a student with disabilities who is placed in a facility that is located either within or outside of the student's school district of residence in order to receive special education services. The student's school district of residence is liable for any room and board costs in excess of those reimbursed as provided in this section. The placement of a student with disabilities in a public or private facility will be made by a school district and approved by the superintendent of public instruction. The superintendent of public instruction may consult with the commissioner of the department of health and human services on congregate care facilities. ~~The placement of a student with disabilities in congregate care will be made in a facility designated by the department of health and human services.~~

**SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the school construction assistance revolving loan fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6 7. EFFECTIVE DATE.** Section 4 of this Act is effective for taxable years beginning after December 31, 2024.



**2025 SENATE APPROPRIATIONS**

**HB 1369**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

HB 1369  
4/2/2025

A BILL for an Act to amend and reenact sections of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

9:49 a.m. Vice-Chairman Schaible called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

### **Discussion Topics:**

- Dollar Requirements for Bids.
- Tax Caps.
- School Construction Revolving Loan Fund.
- Funding for Cell Phone Storage.

9:49 a.m. Vice-Chairman Schaible Introduced the bill and made suggestions regarding funding allocations.

9:54 a.m. Kirsten Baesler, Superintendent, ND DPI, answered committee questions.

9:58 a.m. Vice-Chairman Schaible recessed the meeting.

10:31 a.m. Vice-Chairman Schaible reconvened the meeting.

10:31 a.m. Maria Neset, Chief of Staff, ND Office of the Governor, submitted testimony in favor #44573 and answered committee questions.

10:42 a.m. Aspyn Thelen, Student, testified in neutral and answered committee questions.

10:45 a.m. Keith La Vallie, Superintendent, St. John School District, testified in favor and submitted testimony #44572.

10:51 a.m. Ken Dennis, Superintendent, Minnewaukan School District, testified in favor.

10:58 a.m. Vice-Chairman Schaible closed the meeting.

*Steven Hall, Committee Clerk*

April 2, 2025

Senator Ronald Sorvaag, Chairman  
Members North Dakota Appropriations- Education and Environment Division

**Subject: Request to add funding line item for low income open enrolled out-of-district at-risk students attending public schools in neighboring districts to their residential district**

Honorable Members of the North Dakota State Senate Education Committee,

We are writing to urge your support for the addition of a funding line item in HB1369 to add a funding formula line item to provide financial assistance to educating districts where at least 40% of the total enrollment or two hundred or more students enrolled are low-income, open-enrolled, out-of-district, at-risk students attending from an adjacent neighboring residential school district.

Currently, school districts across North Dakota enroll out-of-district students through the open enrollment process, some are at-risk students who need additional support to succeed. While these students are welcomed into neighboring districts, the Title I funding generated by out of district students will now remain with their home district, not the district providing education. This creates a large gap in resources available to the educating districts, who are responsible for the academic success of these students.

Some of these students come from low-income households and require additional support; it is crucial that the district providing their education have adequate funding to meet their needs. Without such financial support, schools may be forced to divert resources from other programs, potentially diminishing the quality of education for all enrolled students.

By adding a line item in HB1369 to allocate funding for these students, we can ensure that such districts are properly equipped to serve all students, particularly those who are at-risk and in need of extra attention and resources. This additional funding will help bridge the gap, ensuring equitable opportunities for every student, regardless of their district of residence.

The proposed language addition is as follows:

- I. 0.30 times the average daily membership of at-risk open-enrolled students attending a public school, where at least 40% of the total enrollment or 200 or more students are open-enrolled at-risk students from an adjacent neighboring residential school district; these open-enrolled students must be certified as eligible for free meals under the Community Eligibility Provision at the educating school.

Thank you for considering this important issue. We respectfully urge you to support this amendment to HB1369 in order to provide the necessary resources for the educational success of all North Dakota students.



Dr. Keith LaVallie, Superintendent  
St. John School District



Kent Dennis, Superintendent  
Minnewaukan School District

25.0157.02001  
Title.

Prepared by the Legislative Council  
staff for Senator Axtman  
March 24, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED HOUSE BILL NO. 1013

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 center for distance education, the state library, the school for the deaf,  
3 and North Dakota vision services - school for the blind; to amend and reenact section  
4 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of  
5 public instruction; to provide for a transfer; to provide a report; and to provide an exemption.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
8 as may be necessary, are appropriated out of any moneys in the general fund in the state  
9 treasury, not otherwise appropriated, and from other funds derived from special funds and  
10 federal funds, to the department of public instruction, the center for distance education, the  
11 state library, the school for the deaf, and North Dakota vision services - school for the blind for  
12 the purpose of defraying the expenses of those agencies, for the biennium beginning July 1,  
13 2025, and ending June 30, 2027, as follows:

14 Subdivision 1.

#### 15 DEPARTMENT OF PUBLIC INSTRUCTION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17 Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
19 New and vacant FTE pool	0	695,495	695,495
20 Operating expenses	32,793,320	9,718,204	42,511,524



Sixty-ninth  
Legislative Assembly

1	Integrated formula payments	2,299,674,851	116,655,489	2,416,330,340
2	Grants - special education	24,000,000	0	24,000,000
3	Grants - transportation	58,100,000	5,400,000	63,500,000
4	Grants - other grants	382,738,893	29,705,709	412,444,602
5	Grants - program grants	17,205,000	7,011,027	24,216,027
6	Grants - passthrough grants	3,569,000	12,266,000	15,835,000
7	PowerSchool	5,775,000	(5,775,000)	0
8	Student information systems	0	5,775,000	5,775,000
9	National board certification	<u>176,290</u>	<u>0</u>	<u>176,290</u>
10	Total all funds	\$2,843,997,119	\$182,573,527	\$3,026,570,646
11	Less other funds	<u>1,115,246,674</u>	<u>176,835,668</u>	<u>1,292,082,342</u>
12	Total general fund	\$1,728,750,445	\$5,737,859	\$1,734,488,304
13	Full-time equivalent positions	86.25	0.00	86.25

14 Subdivision 2.

15 CENTER FOR DISTANCE EDUCATION

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Center for distance education	\$11,613,483	\$2,966,477	\$14,579,960
19	New and vacant FTE pool	<u>0</u>	<u>361,061</u>	<u>361,061</u>
20	Total all funds	\$11,613,483	\$3,327,538	\$14,941,021
21	Less other funds	<u>4,550,000</u>	<u>1,974,000</u>	<u>6,524,000</u>
22	Total general fund	\$7,063,483	\$1,353,538	\$8,417,021
23	Full-time equivalent positions	30.80	1.20	32.00

24 Subdivision 3.

25 STATE LIBRARY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
29	New and vacant FTE pool	0	107,552	107,552
30	Operating expenses	2,282,298	707,777	2,990,075
31	Grants	<u>2,283,528</u>	<u>0</u>	<u>2,283,528</u>

Sixty-ninth  
Legislative Assembly

1	Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
2	Less other funds	<u>2,499,073</u>	<u>305,139</u>	<u>2,804,212</u>
3	Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
4	Full-time equivalent positions	26.75	0.00	26.75
5	Subdivision 4.			
6	SCHOOL FOR THE DEAF			
7			Adjustments or	
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages	\$9,283,599	\$735,225	\$10,018,824
10	New and vacant FTE pool	0	415,571	415,571
11	Operating expenses	1,705,586	320,839	2,026,425
12	Capital assets	<u>158,678</u>	<u>283,800</u>	<u>442,478</u>
13	Total all funds	\$11,147,863	\$1,755,435	\$12,903,298
14	Less other funds	<u>2,811,557</u>	<u>360,186</u>	<u>3,171,743</u>
15	Total general fund	\$8,336,306	\$1,395,249	\$9,731,555
16	Full-time equivalent positions	45.36	1.50	46.86
17	Subdivision 5.			
18	NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND			
19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
22	New and vacant FTE pool	0	121,985	121,985
23	Operating expenses	869,686	406,571	1,276,257
24	Capital assets	<u>39,192</u>	<u>230,808</u>	<u>270,000</u>
25	Total all funds	\$6,447,696	\$1,000,442	\$7,448,138
26	Less other funds	<u>1,206,705</u>	<u>534,239</u>	<u>1,740,944</u>
27	Total general fund	\$5,240,991	\$466,203	\$5,707,194
28	Full-time equivalent positions	27.75	0.00	27.75
29	Subdivision 6.			
30	TOTAL - SECTION 1			

1		Adjustments or		
2		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
3	Grand total all funds	\$2,882,387,718	\$189,972,391	\$3,072,360,109
4	Less grand total other funds	<u>1,126,314,009</u>	<u>180,009,232</u>	<u>1,306,323,241</u>
5	Grand total general fund	\$1,756,073,709	\$9,963,159	\$1,766,036,868
6	<b>SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO</b>			
7	<b>SEVENTIETH LEGISLATIVE ASSEMBLY.</b> The following amounts reflect the one-time funding			
8	items included in the appropriation in section 1 of this Act which are not included in each entity's			
9	base budget for the 2027-29 biennium and which each entity shall report to the appropriations			
10	committees of the seventieth legislative assembly regarding the use of this funding:			
11	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
12	Department of Pubic Instruction			
13	Science center grants	\$0	\$10,000,000	\$10,000,000
14	Teacher retention program	0	2,500,000	2,500,000
15	School board training	0	1,500,000	1,500,000
16	Native American essential	0	950,000	950,000
17	understandings and book series			
18	Statewide reading tool	500,000	0	500,000
19	Dyslexia training		300,000	300,000
20	Assistive technology and	<u>250,000</u>	<u>0</u>	<u>250,000</u>
21	curriculum pilot			
22	Total department of public instruction	\$750,000	\$15,250,000	\$16,000,000
23	Center for Distance Education			
24	Information technology equipment	\$0	\$25,000	\$25,000
25	Student information system upgrade	<u>75,250</u>	<u>0</u>	<u>75,250</u>
26	Total center for distance education	\$75,250	\$25,000	\$100,250
27	School for the Deaf			
28	Equipment replacement	\$0	\$45,000	\$45,000
29	Campus security upgrades	<u>0</u>	<u>238,800</u>	<u>238,800</u>
30	Total school for the deaf	\$0	\$283,800	\$283,800
31	North Dakota vision services - School for the Blind			

Sixty-ninth  
Legislative Assembly

1	Equipment less than \$5,000	\$0	\$28,000	\$28,000
2	Door replacement	0	10,000	10,000
3	Breakroom remodel	0	55,000	55,000
4	Kitchen cabinet replacement	0	55,000	55,000
5	South parking lot replacement	<u>0</u>	<u>150,000</u>	<u>150,000</u>
6	Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
7	Grand total	\$825,250	\$15,856,800	\$16,682,050

8       **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
9 department of public instruction, center for distance education, state library, school for the deaf,  
10 and North Dakota vision services - school for the blind may not spend funds appropriated in the  
11 new and vacant FTE pool line item in section 1 of this Act, but may request the office of  
12 management and budget to transfer funds from the new and vacant FTE pool line item to the  
13 salaries and wages line item or the center for distance education line item within each  
14 respective subdivision in accordance with the guidelines and reporting provisions included in  
15 House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

16       **SECTION 4. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**  
17 **ELECTRONIC DEVICE STORAGE GRANTS - ONE-TIME FUNDING.** There is appropriated  
18 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum  
19 of \$1,500,000, or so much of the sum as may be necessary, to the department of public  
20 instruction for the purpose of providing electronic device storage grants to school districts for  
21 the biennium beginning July 1, 2025, and ending June 30, 2027. Upon request of the board of a  
22 school district, the department shall reimburse the school district for the cost of acquiring secure  
23 containers for storing each student's personal electronic device in accordance with the school  
24 district's established plan. Reimbursements to school districts must be provided based on the  
25 cost of a selected approved product, but may not exceed thirty dollars per student subject to the  
26 school district's plan. The appropriation provided in this section is considered a one-time  
27 funding item.

28       **SECTION 5. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$595,677,350,  
29 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is  
30 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund  
31 that becomes available for distribution to public schools is appropriated to the department of

1 public instruction for that purpose for the biennium beginning July 1, 2025, and ending June 30,  
2 2027.

3 **SECTION 6. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND.** The other  
4 funds line item in subdivision 1 of section 1 of this Act includes the sum of \$219,250,000 from  
5 the foundation aid stabilization fund for integrated formula payments, various program grants,  
6 and a Native American program and textbook.

7 **SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**  
8 The other funds line item in subdivision 1 of section 1 of this Act includes the sum of  
9 \$10,000,000 from the strategic investment and improvements fund for science center grants.

10 **SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**  
11 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may  
12 expend funds included in the integrated formula payments and grants - special education  
13 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational  
14 services that were due in the 2023-25 biennium but which were not filed, claimed, or properly  
15 supported by the education provider until after June 30, 2025. To be reimbursed under this  
16 section, claims must be properly supported and filed with the superintendent of public  
17 instruction by June 30, 2026.

18 **SECTION 9. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the  
19 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be  
20 distributed to reimburse school districts or special education units for gifted and talented  
21 programs upon the submission of an application that is approved in accordance with guidelines  
22 adopted by the superintendent of public instruction. The superintendent of public instruction  
23 shall encourage cooperative efforts for gifted and talented programs among school districts and  
24 special education units.

25 **SECTION 10. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION.**  
26 State school aid payments for special education must be reduced by the amount of matching  
27 funds required to be paid by school districts or special education units for students participating  
28 in the Medicaid program for the biennium beginning July 1, 2025, and ending June 30, 2027.  
29 Special education funds equal to the amount of the matching funds required to be paid by the  
30 school district or special education unit must be paid by the superintendent of public instruction  
31 to the department of health and human services on behalf of the school district or unit.



1       **SECTION 11. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

2       The integrated formula payments line item in subdivision 1 of section 1 of this Act includes  
3       \$700,000 from the general fund for the purpose of providing annual grants to regional education  
4       associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual  
5       grant of \$50,000 is provided to each regional education association that exists as of July 1,  
6       2025. Regional education associations that merge during the 2025-27 biennium are entitled to  
7       the annual grants that would have been paid to each of the member associations.

8       **SECTION 12. STUDENT MEALS - GRANTS - DISTRIBUTION.** The grants - program

9       grants line item in subdivision 1 of section 1 of this Act includes \$4,500,000 from the general  
10      fund for the purpose of providing grants to school districts to defray the expenses of providing  
11      meals, free of charge, for all students enrolled in public or nonpublic school at or below  
12      two hundred twenty-five percent of the federal poverty guideline, for the biennium beginning  
13      July 1, 2025, and ending June 30, 2027. The superintendent of public instruction shall develop  
14      guidelines and reporting requirements for the grants.

15      **SECTION 13. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS -**

16      **DISTRIBUTION.** The grants - program grants line item in subdivision 1 of section 1 of this Act  
17      includes \$3,000,000 from the general fund for the purpose of providing grants to accredited  
18      institutions of higher education to assist paraprofessionals to become qualified teachers, for the  
19      biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public  
20      instruction may award up to \$20,000 to each qualifying institution for program startup and other  
21      administrative costs and the remainder of the appropriation may be used only for tuition and  
22      scholarships for students enrolled in the program. The superintendent of public instruction may  
23      establish policies and procedures to administer this program.

24      **SECTION 14. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION.**

25      The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes  
26      \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's  
27      schools at North Dakota state university and university of North Dakota, for the biennium  
28      beginning July 1, 2025, and ending June 30, 2027.

- 29          1.   The superintendent of public instruction shall conduct North Dakota governor's  
30               schools once a summer alternating annually between North Dakota state university  
31               and university of North Dakota.

- 1       2.   The superintendent of public instruction shall award the grants based on providing an
- 2           average cost of \$5,000 per student attending the schools each year not to exceed a
- 3           total of \$250,000 to each university for each year of the biennium.
- 4       3.   The governor's schools program must provide programs related to science,
- 5           technology, engineering, mathematics, energy law, mental health, education, and
- 6           health sciences.
- 7       4.   The superintendent of public instruction shall name codirectors at each university to
- 8           ensure continued collaboration of the schools at both campuses.
- 9       5.   Funds may be used only for defraying expenses for students while on campus,
- 10          including housing, dining, resident assistants, program directors, instructors, and
- 11          faculty research sponsors.

12       **SECTION 15. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL**  
13       **EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

14       Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect  
15       cost recoveries in its operating account. In addition, any moneys collected by the department of  
16       public instruction for general educational development fees and displaced homemakers  
17       deposits must be deposited in the public instruction fund in the state treasury. Any funds  
18       deposited in the public instruction fund may only be spent subject to appropriation by the  
19       legislative assembly.

20       **SECTION 16. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -**  
21       **GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public  
22       instruction complies with all statutory payment obligations imposed for the 2023-25 biennium,  
23       from any moneys remaining in the integrated formula payments line item in subdivision 1 of  
24       section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,165,000 or the remaining  
25       amount must be continued into the 2025-27 biennium and the office of management and budget  
26       shall transfer this amount into the public instruction fund for the purpose of providing program  
27       and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The  
28       superintendent of public instruction shall transfer any of these funds remaining unspent at the  
29       end of the 2025-27 biennium to the general fund.

30       **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF**  
31       **PUBLIC INSTRUCTION.** The following appropriations to the department of public instruction

are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any funds remaining from federal funds derived from the elementary and secondary school emergency education relief fund and any other federal funds appropriated in subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

**SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY.** The sum of \$150,000, appropriated from the general fund to the state library for building renovations in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 19. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE DEAF.** The sum of \$800,000, appropriated from special funds, derived from trust fund distributions, rents, and service revenue, to the school for the deaf for boiler replacement, pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 20. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 3 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, 2026.

**SECTION 21. 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 thirty-eight thousand one hundred forty-two~~ one hundred forty-seven thousand nine hundred seventy-eight

Sixty-ninth  
Legislative Assembly

- 1 dollars through June 30, ~~2024~~2026, and one hundred forty-three thousand six hundred
- 2 ~~sixty-eight~~one hundred fifty-two thousand four hundred seventeen dollars thereafter.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

HB 1369  
4/8/2025

A BILL for an Act to amend and reenact sections of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

9:56 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Scott Meyer.

Absent: Senator Paul J. Thomas.

### **Discussion Topics:**

- Per-Pupil Payment.
- Clarification on Language.

9:56 a.m. Senator Schaible, introduced the bill in favor and answered committee questions.

10:00 a.m. Shiela Sandness, Fiscal Analyst, Legislative Council, answered committee questions.

10:07 a.m. Chairman Sorvaag closed the meeting.

*Steven Hall, Committee Clerk*



# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Sakakawea Room, State Capitol

HB 1369  
4/9/2025

A BILL for an Act to amend and reenact sections of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

10:03 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

### Discussion Topics:

- Increase to Per-Pupil Payment.
- Approval Requirement Regarding Child Placement.
- Transfer of Funds Within Bill.

10:03 a.m. Senator Schaible discussed the proposed amendment to go from 2-2 to 3-3, to require student placement approval, to transfer funds within bill, and to increase per-pupil payment, and submitted testimony in favor #44855.

10:06 a.m. Senator Schaible moved the proposed amendments LC# 25.0716.04003.

10:06 a.m. Senator Meyer seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

10:09 a.m. Senator Schaible moved a Do Pass as amended.

10:09 a.m. Senator Meyer seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

Senator Schaible will carry the bill.

10:09 p.m. Chairman Sorvaag closed the meeting.

*Steven Hall, Committee Clerk*

25.0716.04003  
Title.

Prepared by the Legislative Council  
Staff for Senator Schaible  
April 2, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

### REENGROSSED HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of the amendments (25.0716.04002) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04003) as follows:*

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~15.1-32-19,  
2 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the  
3 determination of state aid, ~~the calculation of average daily membership~~boarding care costs,  
4 public improvement construction, bonds from contractors for public improvements, and school  
5 district levies; to provide for a transfer; and to provide an effective date.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
10 **through June 30, 2025) (Retroactive application - See note)**

11 ~~4. To determine the amount of state aid payable to each district, the superintendent of~~  
12 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
13 ~~funding consists of:~~

- 14 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
15 ~~2018-19 school year;~~  
16 b. ~~An amount equal to the property tax deducted by the superintendent of public~~  
17 ~~instruction to determine the 2018-19 state aid payment;~~  
18 c. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
19 ~~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 e. ~~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. For the 2023-24 school year the~~  
6 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
7 ~~unit by forty percent of the amount by which the district's baseline funding per~~  
8 ~~weighted student unit exceeds the payment per weighted student unit for the~~  
9 ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
10 ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
11 ~~per weighted student unit, after the reduction, may not be less than the payment~~  
12 ~~per weighted student unit provided in subsection 3.~~
- 13 3. a. ~~For the 2023-24 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 six hundred~~  
16 ~~forty-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 ~~six hundred forty-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 forty percent and~~  
25 ~~then the difference added to the amount determined in paragraph 1.~~
- 26 b. ~~For the 2024-25 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 eleven thousand~~  
29 ~~seventy-two 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 eleven thousand  
4                   seventy-two 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 fifty-five percent for  
7           the 2024-25 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    4. After determining the product in accordance with subsection 3, the superintendent of  
11    public instruction shall:
- 12          a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
13          school district, except the amount in dollars subtracted for purposes of this  
14          subdivision may not exceed the previous year's amount in dollars subtracted for  
15          purposes of this subdivision by more than twelve percent, adjusted pursuant to  
16          section 15.1-27-04.3; and
- 17          b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
18          subdivisions c and d of subsection 1. Before determining the deduction for  
19          seventy-five percent of all revenue types, the superintendent of public instruction  
20          shall adjust revenues as follows:
- 21          (1) Tuition revenue shall be adjusted as follows:
- 22               (a) In addition to deducting tuition revenue received specifically for the  
23               operation of an educational program provided at a residential  
24               treatment facility, tuition revenue received for the provision of an adult  
25               farm management program, tuition received for the education of  
26               high-cost and special education students, and tuition received under  
27               an agreement to educate students from a school district on an  
28               air force base with funding received through federal impact aid as  
29               directed each school year in paragraph 3 of subdivision c of  
30               subsection 1, the superintendent of public instruction also shall reduce  
31               the total tuition reported by the school district by the amount of tuition

1 revenue received for the education of students not residing in the  
2 state and for which the state has not entered a cross-border education  
3 contract; and

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

9 (2) After adjusting tuition revenue as provided in paragraph 1, the  
10 superintendent shall reduce all remaining revenues from all revenue types  
11 by the percentage of mills levied in 2022 by the school district for sinking  
12 and interest relative to the total mills levied in 2022 by the school district for  
13 all purposes.

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

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

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

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

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

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

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



- 1        1. To determine the amount of state aid payable to each district, the superintendent of  
2        public instruction shall establish each district's baseline funding. A district's baseline  
3        funding consists of:
  - 4        a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5        2018-19 school year;
  - 6        b. An amount equal to the property tax deducted by the superintendent of public  
7        instruction to determine the 2018-19 state aid payment;
  - 8        c. An amount equal to seventy-five percent of the revenue received by the school  
9        district during the 2017-18 school year for the following revenue types:
    - 10        (1) Revenue reported under code 2000 of the North Dakota school district  
11        financial accounting and reporting manual, as developed by the  
12        superintendent of public instruction in accordance with section 15.1-02-08;
    - 13        (2) Mineral revenue received by the school district through direct allocation from  
14        the state treasurer and not reported under code 2000 of the North Dakota  
15        school district financial accounting and reporting manual, as developed by  
16        the superintendent of public instruction in accordance with section  
17        15.1-02-08;
    - 18        (3) Tuition reported under code 1300 of the North Dakota school district  
19        financial accounting and reporting manual, as developed by the  
20        superintendent of public instruction in accordance with section 15.1-02-08,  
21        with the exception of revenue received specifically for the operation of an  
22        educational program provided at a residential treatment facility, tuition  
23        received for the provision of an adult farm management program, and  
24        beginning in the 2025-26 school year, eighty-five percent of tuition received  
25        under an agreement to educate students from a school district on an  
26        air force base with funding received through federal impact aid, until the  
27        2026-27 school year, and each school year thereafter, when all tuition  
28        received under an agreement to educate students from a school district on  
29        an air force base with funding received through federal impact aid must be  
30        excluded from the tuition calculation under this paragraph;

- 1 (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 2 of electric power;
- 3 (5) Revenue from payments in lieu of taxes on electricity generated from
- 4 sources other than coal; and
- 5 (6) Revenue from the leasing of land acquired by the United States for which
- 6 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 7 d. An amount equal to the total revenue received by the school district during the
- 8 2017-18 school year for the following revenue types:
- 9 (1) Mobile home tax revenue;
- 10 (2) Telecommunications tax revenue; and
- 11 (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 12 homestead credit and disabled veterans credit; and
- 13 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 14 baseline funding for any school district that becomes an elementary district
- 15 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 16 be proportional to the number of weighted student units in the grades that are
- 17 offered through another school district relative to the total number of weighted
- 18 student units the school district offered in the year before the school district
- 19 became an elementary district. The reduced baseline funding applies to the
- 20 calculation of state aid for the first school year in which the school district
- 21 becomes an elementary district and for each year thereafter. For districts that
- 22 become an elementary district prior to the 2020-21 school year, the
- 23 superintendent shall use the reduced baseline funding to calculate state aid for
- 24 the 2020-21 school year and for each year thereafter.
- 25 2. a. The superintendent shall divide the district's baseline funding determined in
- 26 subsection 1 by the district's 2017-18 weighted student units to determine the
- 27 district's baseline funding per weighted student unit.
- 28 b. For any school district that becomes an elementary district pursuant to section
- 29 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 30 district's baseline funding per weighted student unit used to calculate state aid.
- 31 The superintendent shall divide the district's baseline funding determined in



1 subsection 1 by the district's weighted student units after the school district  
2 becomes an elementary district to determine the district's adjusted baseline  
3 funding per weighted student unit. The superintendent shall use the district's  
4 adjusted baseline funding per weighted student unit in the calculation of state aid  
5 for the first school year in which the school district becomes an elementary  
6 district and for each year thereafter.

7 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
8 superintendent shall reduce the district's baseline funding per weighted student  
9 unit. Each year the superintendent shall calculate the amount by which the  
10 district's baseline funding per weighted student unit exceeds the payment per  
11 weighted student unit provided in subsection 3. For the 2023-24 school year the  
12 superintendent shall reduce the district's baseline funding per weighted student  
13 unit by forty percent of the amount by which the district's baseline funding per  
14 weighted student unit exceeds the payment per weighted student unit for the  
15 2023-24 school year. For each year thereafter, the reduction percentage is  
16 increased by an additional fifteen percent. However, the district's baseline funding  
17 per weighted student unit, after the reduction, may not be less than the payment  
18 per weighted student unit provided in subsection 3.

19 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid  
20 as the greater of:

21 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~  
22 ~~forty six~~~~eleven thousand two hundred ninety three~~eleven thousand four  
23 hundred four dollars;

24 (2) One hundred two percent of the district's baseline funding per weighted  
25 student unit, as established in subsection 2, multiplied by the district's  
26 weighted student units, not to exceed the district's 2017-18 baseline  
27 weighted student units, plus any weighted student units in excess of the  
28 2017-18 baseline weighted student units multiplied by ~~ten thousand~~  
29 ~~six hundred forty six~~~~eleven thousand two hundred ninety three~~eleven  
30 thousand four hundred four dollars; or

Sixty-ninth  
Legislative Assembly

- 1 (3) The district's baseline funding as established in subsection 1 less the  
2 amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
3 and then the difference added to the amount determined in paragraph 1.
- 4 b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
5 superintendent shall calculate state aid as the greater of:
- 6 (1) The district's weighted student units multiplied by eleven thousand  
7 ~~seventy-two~~five hundred nineteen~~seven hundred forty-six~~ dollars;  
8 (2) One hundred two percent of the district's baseline funding per weighted  
9 student unit, as established in subsection 2, multiplied by the district's  
10 weighted student units, not to exceed the district's 2017-18 baseline  
11 weighted student units, plus any weighted student units in excess of the  
12 2017-18 baseline weighted student units multiplied by eleven thousand  
13 ~~seventy-two~~five hundred nineteen~~seven hundred forty-six~~ dollars; or  
14 (3) The district's baseline funding as established in subsection 1 less the  
15 amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
16 percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
17 increasing by fifteen percent each school year thereafter until the difference  
18 is reduced to zero, and then the difference added to the amount determined  
19 in paragraph 1.
- 20 4. After determining the product in accordance with subsection 3, the superintendent of  
21 public instruction shall:
- 22 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23 school district; and  
24 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
25 ~~subdivisions e and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
26 subsection 1 and revenue from payments in lieu of taxes. Before determining the  
27 deduction for seventy-five percent of all revenue types, the superintendent of  
28 public instruction shall adjust revenues as follows:
- 29 (1) Tuition revenue shall be adjusted as follows:
- 30 (a) In addition to deducting tuition revenue received specifically for the  
31 operation of an educational program provided at a residential

- 1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and
- 12 (b) The superintendent of public instruction also shall reduce the total  
13 tuition reported by admitting school districts meeting the requirements  
14 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
15 of tuition revenue received for the education of students residing in an  
16 adjacent school district.
- 17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.
- 22 5. The amount remaining after the computation required under subsection 4 is the  
23 amount of state aid to which a school district is entitled, subject to any other statutory  
24 requirements or limitations.
- 25 6. On or before June thirtieth of each year, the school board shall certify to the  
26 superintendent of public instruction the final average daily membership for the current  
27 school year.
- 28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 instruction on an annual basis:



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

8    ~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is~~  
9    ~~amended and reenacted as follows:~~

10   ~~15.1-27-35. Average daily membership - Calculation.~~

11   ~~1. Average daily membership is calculated at the conclusion of the school year by adding~~  
12   ~~the total number of hours that each student in a given grade, school, or school district~~  
13   ~~is in attendance at the school's physical plant during a school calendar and the total~~  
14   ~~number of hours that each student in a given grade, school, or school district is absent~~  
15   ~~during a school calendar, and then dividing the sum by:~~

- 16   ~~\_\_\_\_\_ a. Nine hundred sixty-two and one-half hours for elementary school students; or~~  
17   ~~\_\_\_\_\_ b. One thousand fifty hours for middle and high school students.~~

18   ~~2. For purposes of calculating average daily membership:~~

19   ~~\_\_\_\_\_ a. A student enrolled full time in any grade from one through twelve may not exceed~~  
20   ~~an average daily membership of 1.00. The membership may be prorated for a~~  
21   ~~student who is enrolled less than full time.~~

22   ~~\_\_\_\_\_ b. A student enrolled full time in an approved regular education kindergarten~~  
23   ~~program may not exceed an average daily membership of 1.00. The membership~~  
24   ~~may be prorated for a student who is enrolled less than full time.~~

25   ~~\_\_\_\_\_ c. A student enrolled full time, as defined by the superintendent of public instruction,~~  
26   ~~in an approved early childhood special education program may not exceed an~~  
27   ~~average daily membership of 1.00. The membership may be prorated for a~~  
28   ~~student who is enrolled less than full time.~~

29   ~~\_\_\_\_\_ d. A student enrolled full time in virtual instruction is calculated at an average daily~~  
30   ~~membership of 1.00. The membership may be prorated for a student who is~~  
31   ~~enrolled less than full time.~~

- 1 ~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily~~  
2 ~~membership is the greater of:~~  
3 ~~a. The amount calculated in subsections 1 and 2 of this section; or~~  
4 ~~b. The average of the amounts calculated in subsections 1 and 2 of this~~  
5 ~~section for the prior three years.~~

6 **SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-32-19. Boarding care costs - Reimbursement of school district.**

9 The superintendent of public instruction shall reimburse a student's school district of  
10 residence an amount equal to eighty percent of the room and board costs paid by the district for  
11 a student with disabilities who is placed in a facility that is located either within or outside of the  
12 student's school district of residence in order to receive special education services. The  
13 student's school district of residence is liable for any room and board costs in excess of those  
14 reimbursed as provided in this section. The placement of a student with disabilities in a public or  
15 private facility will be made by a school district and approved by the superintendent of public  
16 instruction. ~~The placement superintendent of a student with disabilities in congregate care will be~~  
17 ~~made in a facility designated by public instruction may consult with the commissioner of the~~  
18 department of health and human services on congregate care facilities.

19 **SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **48-01.2-02.1. Public improvement construction threshold.**

- 22 1. The threshold for bidding construction of a public improvement is two hundred fifty  
23 thousand dollars. The threshold for procuring plans, drawings, and specifications, and  
24 bonding from an architect or engineer for construction of a public improvement is two  
25 hundred fifty thousand dollars.  
26 2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision  
27 undertakes the construction of a public improvement and there is reason to believe  
28 that engineering or architectural services are necessary to protect the health, safety, or  
29 welfare of the public, the state or political subdivision shall consider consulting with an  
30 engineer or architect.



1     **SECTION 4. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3     **48-01.2-10. Bonds from contractors for public improvements.**

- 4     1. Unless otherwise provided under this chapter, a governing body authorized to enter a  
5 contract for the construction of a public improvement in excess of two hundred fifty  
6 thousand dollars shall take from the contractor a bond before permitting any work to  
7 be done on the contract. The bond must be for an amount equal at least to the price  
8 stated in the contract. The bond must be conditioned to be void if the contractor and all  
9 subcontractors fully perform all terms, conditions, and provisions of the contract and  
10 pay all bills or claims on account of labor performed and any supplies, and materials  
11 furnished and used in the performance of the contract, including all demands of  
12 subcontractors. The requirement that bills and claims be paid must include the  
13 requirement that interest of the amount authorized under section 13-01-14 be paid on  
14 bills and claims not paid within ninety days. The bond is security for all bills, claims,  
15 and demands until fully paid, with preference to labor and material suppliers as to  
16 payment. The bond must run to the governing body, but any person having a lawful  
17 claim against the contractor or any subcontractor may sue on the bond.
- 18     2. A governing body may not require any person required to provide a surety bond to  
19 obtain the surety bond from a specified insurance or surety company or insurance  
20 producer or to submit financial data to the company or producer.

21     **SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23     **57-15-14.2. School district levies.**

- 24     1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
25 ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
26 mills on the taxable valuation of the district, for any purpose related to the provision of  
27 educational services. The proceeds of this levy must be deposited into the school  
28 district's general fund and used in accordance with this subsection. The proceeds may  
29 not be transferred into any other fund.
- 30     2. The board of a school district may levy no more than twelve mills on the taxable  
31 valuation of the district, for miscellaneous purposes and expenses. The proceeds of

1           this levy must be deposited into a special fund known as the miscellaneous fund and  
2           used in accordance with this subsection. The proceeds may not be transferred into  
3           any other fund.

4           3. The board of a school district may levy no more than three mills on the taxable  
5           valuation of the district for deposit into a special reserve fund, in accordance with  
6           chapter 57-19.

7           4. The board of a school district may levy no more than the number of mills necessary,  
8           on the taxable valuation of the district, for the payment of tuition, in accordance with  
9           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
10          known as the tuition fund and used in accordance with this subsection. The proceeds  
11          may not be transferred into any other fund.

12          5. The board of a school district may levy no more than five mills on the taxable valuation  
13          of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
14          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
15          deposited into a special fund known as the school safety plan fund and used in  
16          accordance with this subsection.

17          6. Nothing in this section limits the board of a school district from levying:  
18           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
19           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
20           including the mills necessary to pay principal and interest on any bonded debt  
21           incurred under section 57-15-17.1 before July 1, 2013.

22          **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

23          **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
24          budget shall transfer the sum of ~~\$75,000,000~~ \$100,000,000 from the foundation aid stabilization  
25          fund to the school construction assistance revolving loan fund during the biennium beginning  
26          July 1, 2025, and ending June 30, 2027.

27          **SECTION 7. EFFECTIVE DATE.** Section ~~4~~5 of this Act is effective for taxable years  
28          beginning after December 31, 2024.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1369  
4/14/2025

Relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

8:25 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Members Absent: Senator Davison.

### Discussion Topics:

- Eligibility Changes
- Outstanding Loans Balance
- Per Pupil Payments
- Percentage Increase

8:26 a.m. Senator Schaible introduced the bill and submitted testimony #44959.

8:31 a.m. Senator Schaible moved amendment LC 25.0716.04003.

8:31 a.m. Senator Sorvaag seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.

8:38 a.m. Senator Schaible moved a Do Pass as Amended.

8:38 a.m. Senator Sorvaag seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.

Senator Schaible will carry the bill.

8:39 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*



Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
SECOND ENGROSSMENT**

VC 4/14/25  
1 of 15

**REENGROSSED HOUSE BILL NO. 1369**

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of the amendments (25.0716.04002) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04003) as follows:*

A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~15.1-32-19,  
48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the  
determination of state aid, ~~the calculation of average daily membership~~boarding care costs,  
public improvement construction, bonds from contractors for public improvements, and school  
district levies; to provide for a transfer; and to provide an effective date.

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

**SECTION 1. 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~~) (~~Retroactive application~~ - See note)**

~~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);~~



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

e. ~~Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.~~

3. a. ~~For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:~~

(1) ~~The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;~~

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

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

b. ~~For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:~~

(1) ~~The district's weighted student units multiplied by eleven thousand seventy-two dollars;~~

(2) ~~One hundred two percent of the district's baseline funding per weighted 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 eleven thousand~~  
4                    ~~seventy-two 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 fifty-five percent for~~  
7                    ~~the 2024-25 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                  4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
11                  ~~public instruction shall:~~  
12                  a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
13                  ~~school district, except the amount in dollars subtracted for purposes of this~~  
14                  ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
15                  ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
16                  ~~section 15.1-27-04.3; and~~  
17                  b. ~~Subtract an amount equal to seventy-five percent of all revenue types listed in~~  
18                  ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
19                  ~~seventy-five percent of all revenue types, the superintendent of public instruction~~  
20                  ~~shall adjust revenues as follows:~~  
21                  (1) ~~Tuition revenue shall be adjusted as follows:~~  
22                          (a) ~~In addition to deducting tuition revenue received specifically for the~~  
23                          ~~operation of an educational program provided at a residential~~  
24                          ~~treatment facility, tuition revenue received for the provision of an adult~~  
25                          ~~farm management program, tuition received for the education of~~  
26                          ~~high-cost and special education students, and tuition received under~~  
27                          ~~an agreement to educate students from a school district on an~~  
28                          ~~air force base with funding received through federal impact aid as~~  
29                          ~~directed each school year in paragraph 3 of subdivision c of~~  
30                          ~~subsection 1, the superintendent of public instruction also shall reduce~~  
31                          ~~the total tuition reported by the school district by the amount of tuition~~

1 ~~revenue received for the education of students not residing in the~~  
2 ~~state and for which the state has not entered a cross-border education~~  
3 ~~contract; and~~

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

9 (2) ~~After adjusting tuition revenue as provided in paragraph 1, the~~  
10 ~~superintendent shall reduce all remaining revenues from all revenue types~~  
11 ~~by the percentage of mills levied in 2022 by the school district for sinking~~  
12 ~~and interest relative to the total mills levied in 2022 by the school district for~~  
13 ~~all purposes.~~

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

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

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

23 a. ~~The amount of revenue received by each school district in the county during the~~  
24 ~~previous school year for each type of revenue identified in subdivisions c and d of~~  
25 ~~subsection 1;~~

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

28 e. ~~The number of mills levied in the previous calendar year by each school district~~  
29 ~~for sinking and interest fund purposes.~~

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



- 1       1. To determine the amount of state aid payable to each district, the superintendent of  
2       public instruction shall establish each district's baseline funding. A district's baseline  
3       funding consists of:
  - 4       a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5       2018-19 school year;
  - 6       b. An amount equal to the property tax deducted by the superintendent of public  
7       instruction to determine the 2018-19 state aid payment;
  - 8       c. An amount equal to seventy-five percent of the revenue received by the school  
9       district during the 2017-18 school year for the following revenue types:
    - 10       (1) Revenue reported under code 2000 of the North Dakota school district  
11       financial accounting and reporting manual, as developed by the  
12       superintendent of public instruction in accordance with section 15.1-02-08;
    - 13       (2) Mineral revenue received by the school district through direct allocation from  
14       the state treasurer and not reported under code 2000 of the North Dakota  
15       school district financial accounting and reporting manual, as developed by  
16       the superintendent of public instruction in accordance with section  
17       15.1-02-08;
    - 18       (3) Tuition reported under code 1300 of the North Dakota school district  
19       financial accounting and reporting manual, as developed by the  
20       superintendent of public instruction in accordance with section 15.1-02-08,  
21       with the exception of revenue received specifically for the operation of an  
22       educational program provided at a residential treatment facility, tuition  
23       received for the provision of an adult farm management program, and  
24       beginning in the 2025-26 school year, eighty-five percent of tuition received  
25       under an agreement to educate students from a school district on an  
26       air force base with funding received through federal impact aid, until the  
27       2026-27 school year, and each school year thereafter, when all tuition  
28       received under an agreement to educate students from a school district on  
29       an air force base with funding received through federal impact aid must be  
30       excluded from the tuition calculation under this paragraph;

- 1 (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 2 of electric power;
- 3 (5) Revenue from payments in lieu of taxes on electricity generated from
- 4 sources other than coal; and
- 5 (6) Revenue from the leasing of land acquired by the United States for which
- 6 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 7 d. An amount equal to the total revenue received by the school district during the
- 8 2017-18 school year for the following revenue types:
- 9 (1) Mobile home tax revenue;
- 10 (2) Telecommunications tax revenue; and
- 11 (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 12 homestead credit and disabled veterans credit; and
- 13 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 14 baseline funding for any school district that becomes an elementary district
- 15 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 16 be proportional to the number of weighted student units in the grades that are
- 17 offered through another school district relative to the total number of weighted
- 18 student units the school district offered in the year before the school district
- 19 became an elementary district. The reduced baseline funding applies to the
- 20 calculation of state aid for the first school year in which the school district
- 21 becomes an elementary district and for each year thereafter. For districts that
- 22 become an elementary district prior to the 2020-21 school year, the
- 23 superintendent shall use the reduced baseline funding to calculate state aid for
- 24 the 2020-21 school year and for each year thereafter.
- 25 2. a. The superintendent shall divide the district's baseline funding determined in
- 26 subsection 1 by the district's 2017-18 weighted student units to determine the
- 27 district's baseline funding per weighted student unit.
- 28 b. For any school district that becomes an elementary district pursuant to section
- 29 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 30 district's baseline funding per weighted student unit used to calculate state aid.
- 31 The superintendent shall divide the district's baseline funding determined in



subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

- c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid as the greater of:

- (1) The district's weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars;
- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars; or
- (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent and then the difference added to the amount determined in paragraph 1.

b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by eleven thousand ~~seventy-two~~seven hundred forty-six dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand ~~seventy-two~~seven hundred forty-six dollars; or

(3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five percent for the ~~2024-25~~2026-27 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.

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; and

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

(1) Tuition revenue shall be adjusted as follows:

(a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under



1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and

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

17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.

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

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

28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 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.

~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:~~

~~15.1-27-35. Average daily membership—Calculation.~~

~~1. Average daily membership is calculated at the conclusion of the school year by adding the total number of hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:~~

~~a. Nine hundred sixty two and one half hours for elementary school students; or~~

~~b. One thousand fifty hours for middle and high school students.~~

~~2. For purposes of calculating average daily membership:~~

~~a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~



~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:~~

~~a. The amount calculated in subsections 1 and 2 of this section; or~~

~~b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.~~

**SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-19. Boarding care costs - Reimbursement of school district.**

The superintendent of public instruction shall reimburse a student's school district of residence an amount equal to eighty percent of the room and board costs paid by the district for a student with disabilities who is placed in a facility that is located either within or outside of the student's school district of residence in order to receive special education services. The student's school district of residence is liable for any room and board costs in excess of those reimbursed as provided in this section. The placement of a student with disabilities in a public or private facility will be made by a school district and approved by the superintendent of public instruction. The placement superintendent of ~~a student with disabilities in congregate care will be made in a facility designated by~~ public instruction may consult with the commissioner of the department of health and human services on congregate care facilities.

**SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, and specifications, ~~and bonding~~ from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.



1       **SECTION 4. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **48-01.2-10. Bonds from contractors for public improvements.**

- 4       1. Unless otherwise provided under this chapter, a governing body authorized to enter a  
5 contract for the construction of a public improvement in excess of two hundred fifty  
6 thousand dollars shall take from the contractor a bond before permitting any work to  
7 be done on the contract. The bond must be for an amount equal at least to the price  
8 stated in the contract. The bond must be conditioned to be void if the contractor and all  
9 subcontractors fully perform all terms, conditions, and provisions of the contract and  
10 pay all bills or claims on account of labor performed and any supplies, and materials  
11 furnished and used in the performance of the contract, including all demands of  
12 subcontractors. The requirement that bills and claims be paid must include the  
13 requirement that interest of the amount authorized under section 13-01-14 be paid on  
14 bills and claims not paid within ninety days. The bond is security for all bills, claims,  
15 and demands until fully paid, with preference to labor and material suppliers as to  
16 payment. The bond must run to the governing body, but any person having a lawful  
17 claim against the contractor or any subcontractor may sue on the bond.
- 18       2. A governing body may not require any person required to provide a surety bond to  
19 obtain the surety bond from a specified insurance or surety company or insurance  
20 producer or to submit financial data to the company or producer.

21       **SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23       **57-15-14.2. School district levies.**

- 24       1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
25 ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
26 mills on the taxable valuation of the district, for any purpose related to the provision of  
27 educational services. The proceeds of this levy must be deposited into the school  
28 district's general fund and used in accordance with this subsection. The proceeds may  
29 not be transferred into any other fund.
- 30       2. The board of a school district may levy no more than twelve mills on the taxable  
31 valuation of the district, for miscellaneous purposes and expenses. The proceeds of

1 this levy must be deposited into a special fund known as the miscellaneous fund and  
2 used in accordance with this subsection. The proceeds may not be transferred into  
3 any other fund.

4 3. The board of a school district may levy no more than three mills on the taxable  
5 valuation of the district for deposit into a special reserve fund, in accordance with  
6 chapter 57-19.

7 4. The board of a school district may levy no more than the number of mills necessary,  
8 on the taxable valuation of the district, for the payment of tuition, in accordance with  
9 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
10 known as the tuition fund and used in accordance with this subsection. The proceeds  
11 may not be transferred into any other fund.

12 5. The board of a school district may levy no more than five mills on the taxable valuation  
13 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
14 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
15 deposited into a special fund known as the school safety plan fund and used in  
16 accordance with this subsection.

17 6. Nothing in this section limits the board of a school district from levying:

- 18 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
19 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
20 including the mills necessary to pay principal and interest on any bonded debt  
21 incurred under section 57-15-17.1 before July 1, 2013.

22 **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

23 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
24 budget shall transfer the sum of ~~\$75,000,000~~\$100,000,000 from the foundation aid stabilization  
25 fund to the school construction assistance revolving loan fund during the biennium beginning  
26 July 1, 2025, and ending June 30, 2027.

27 **SECTION 7. EFFECTIVE DATE.** Section ~~4~~5 of this Act is effective for taxable years  
28 beginning after December 31, 2024.

**REPORT OF STANDING COMMITTEE  
REENGROSSED AND AMENDED HB 1369**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.0716.04003](#)) and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed HB 1369, as amended, was placed on the Sixth order on the calendar. This bill does not affect workforce development.



25.0716.04003  
Title.

Prepared by the Legislative Council  
Staff for Senator Schaible  
April 2, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

### REENGROSSED HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of the amendments (25.0716.04002) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04003) as follows:*

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~ 15.1-32-19,  
2 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the  
3 determination of state aid, ~~the calculation of average daily membership~~ boarding care costs,  
4 public improvement construction, bonds from contractors for public improvements, and school  
5 district levies; to provide for a transfer; and to provide an effective date.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective-**  
10 **through June 30, 2025) (Retroactive application - See note)**

11 4. ~~To determine the amount of state aid payable to each district, the superintendent of~~  
12 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
13 ~~funding consists of:~~  
14 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
15 ~~2018-19 school year;~~  
16 b. ~~An amount equal to the property tax deducted by the superintendent of public~~  
17 ~~instruction to determine the 2018-19 state aid payment;~~  
18 c. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
19 ~~district during the 2017-18 school year for the following revenue types:~~

Sixty-ninth  
Legislative Assembly

- 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(e)(3);~~



Sixty-ninth  
Legislative Assembly

- 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.~~

Sixty-ninth  
Legislative Assembly

- 1 e. ~~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. For the 2023-24 school year the~~  
6 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
7 ~~unit by forty percent of the amount by which the district's baseline funding per~~  
8 ~~weighted student unit exceeds the payment per weighted student unit for the~~  
9 ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
10 ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
11 ~~per weighted student unit, after the reduction, may not be less than the payment~~  
12 ~~per weighted student unit provided in subsection 3.~~
- 13 3. a. ~~For the 2023-24 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 six hundred~~  
16 ~~forty-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 ~~six hundred forty-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 forty percent and~~  
25 ~~then the difference added to the amount determined in paragraph 1.~~
- 26 b. ~~For the 2024-25 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 eleven thousand~~  
29 ~~seventy-two 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 eleven thousand~~  
4                   ~~seventy-two 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 fifty-five percent for~~  
7                   ~~the 2024-25 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       4.   ~~After determining the product in accordance with subsection 3, the superintendent of~~  
11           ~~public instruction shall:~~  
12           a.   ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
13                   ~~school district, except the amount in dollars subtracted for purposes of this~~  
14                   ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
15                   ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
16                   ~~section 15.1-27-04.3; and~~  
17           b.   ~~Subtract an amount equal to seventy-five percent of all revenue types listed in~~  
18                   ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
19                   ~~seventy-five percent of all revenue types, the superintendent of public instruction~~  
20                   ~~shall adjust revenues as follows:~~  
21           (1)   ~~Tuition revenue shall be adjusted as follows:~~  
22                   (a)   ~~In addition to deducting tuition revenue received specifically for the~~  
23                           ~~operation of an educational program provided at a residential~~  
24                           ~~treatment facility, tuition revenue received for the provision of an adult~~  
25                           ~~farm management program, tuition received for the education of~~  
26                           ~~high-cost and special education students, and tuition received under~~  
27                           ~~an agreement to educate students from a school district on an~~  
28                           ~~air force base with funding received through federal impact aid as~~  
29                           ~~directed each school year in paragraph 3 of subdivision c of~~  
30                           ~~subsection 1, the superintendent of public instruction also shall reduce~~  
31                           ~~the total tuition reported by the school district by the amount of tuition~~

Sixty-ninth  
Legislative Assembly

- 1 revenue received for the education of students not residing in the  
2 state and for which the state has not entered a cross-border education  
3 contract; and
- 4 (b) The superintendent of public instruction also shall reduce the total  
5 tuition reported by admitting school districts meeting the requirements  
6 of subdivision c of subsection 2 of section 15.1-29-12 by the amount  
7 of tuition revenue received for the education of students residing in an  
8 adjacent school district.
- 9 (2) After adjusting tuition revenue as provided in paragraph 1, the  
10 superintendent shall reduce all remaining revenues from all revenue types  
11 by the percentage of mills levied in 2022 by the school district for sinking  
12 and interest relative to the total mills levied in 2022 by the school district for  
13 all purposes.
- 14 5. The amount remaining after the computation required under subsection 4 is the  
15 amount of state aid to which a school district is entitled, subject to any other statutory  
16 requirements or limitations.
- 17 6. On or before June thirtieth of each year, the school board shall certify to the  
18 superintendent of public instruction the final average daily membership for the current  
19 school year.
- 20 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
21 with the school districts, shall report the following to the superintendent of public  
22 instruction on an annual basis:
- 23 a. The amount of revenue received by each school district in the county during the  
24 previous school year for each type of revenue identified in subdivisions c and d of  
25 subsection 1;
- 26 b. The total number of mills levied in the previous calendar year by each school  
27 district for all purposes; and
- 28 c. The number of mills levied in the previous calendar year by each school district  
29 for sinking and interest fund purposes.

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



Sixty-ninth  
Legislative Assembly

- 1       1. To determine the amount of state aid payable to each district, the superintendent of  
2       public instruction shall establish each district's baseline funding. A district's baseline  
3       funding consists of:
  - 4       a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5       2018-19 school year;
  - 6       b. An amount equal to the property tax deducted by the superintendent of public  
7       instruction to determine the 2018-19 state aid payment;
  - 8       c. An amount equal to seventy-five percent of the revenue received by the school  
9       district during the 2017-18 school year for the following revenue types:
    - 10       (1) Revenue reported under code 2000 of the North Dakota school district  
11       financial accounting and reporting manual, as developed by the  
12       superintendent of public instruction in accordance with section 15.1-02-08;
    - 13       (2) Mineral revenue received by the school district through direct allocation from  
14       the state treasurer and not reported under code 2000 of the North Dakota  
15       school district financial accounting and reporting manual, as developed by  
16       the superintendent of public instruction in accordance with section  
17       15.1-02-08;
    - 18       (3) Tuition reported under code 1300 of the North Dakota school district  
19       financial accounting and reporting manual, as developed by the  
20       superintendent of public instruction in accordance with section 15.1-02-08,  
21       with the exception of revenue received specifically for the operation of an  
22       educational program provided at a residential treatment facility, tuition  
23       received for the provision of an adult farm management program, and  
24       beginning in the 2025-26 school year, eighty-five percent of tuition received  
25       under an agreement to educate students from a school district on an  
26       air force base with funding received through federal impact aid, until the  
27       2026-27 school year, and each school year thereafter, when all tuition  
28       received under an agreement to educate students from a school district on  
29       an air force base with funding received through federal impact aid must be  
30       excluded from the tuition calculation under this paragraph;

Sixty-ninth  
Legislative Assembly

- 1 (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 2 of electric power;
- 3 (5) Revenue from payments in lieu of taxes on electricity generated from
- 4 sources other than coal; and
- 5 (6) Revenue from the leasing of land acquired by the United States for which
- 6 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 7 d. An amount equal to the total revenue received by the school district during the
- 8 2017-18 school year for the following revenue types:
- 9 (1) Mobile home tax revenue;
- 10 (2) Telecommunications tax revenue; and
- 11 (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 12 homestead credit and disabled veterans credit; and
- 13 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 14 baseline funding for any school district that becomes an elementary district
- 15 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 16 be proportional to the number of weighted student units in the grades that are
- 17 offered through another school district relative to the total number of weighted
- 18 student units the school district offered in the year before the school district
- 19 became an elementary district. The reduced baseline funding applies to the
- 20 calculation of state aid for the first school year in which the school district
- 21 becomes an elementary district and for each year thereafter. For districts that
- 22 become an elementary district prior to the 2020-21 school year, the
- 23 superintendent shall use the reduced baseline funding to calculate state aid for
- 24 the 2020-21 school year and for each year thereafter.
- 25 2. a. The superintendent shall divide the district's baseline funding determined in
- 26 subsection 1 by the district's 2017-18 weighted student units to determine the
- 27 district's baseline funding per weighted student unit.
- 28 b. For any school district that becomes an elementary district pursuant to section
- 29 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 30 district's baseline funding per weighted student unit used to calculate state aid.
- 31 The superintendent shall divide the district's baseline funding determined in



Sixty-ninth  
Legislative Assembly

1 subsection 1 by the district's weighted student units after the school district  
2 becomes an elementary district to determine the district's adjusted baseline  
3 funding per weighted student unit. The superintendent shall use the district's  
4 adjusted baseline funding per weighted student unit in the calculation of state aid  
5 for the first school year in which the school district becomes an elementary  
6 district and for each year thereafter.

7 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
8 superintendent shall reduce the district's baseline funding per weighted student  
9 unit. Each year the superintendent shall calculate the amount by which the  
10 district's baseline funding per weighted student unit exceeds the payment per  
11 weighted student unit provided in subsection 3. For the 2023-24 school year the  
12 superintendent shall reduce the district's baseline funding per weighted student  
13 unit by forty percent of the amount by which the district's baseline funding per  
14 weighted student unit exceeds the payment per weighted student unit for the  
15 2023-24 school year. For each year thereafter, the reduction percentage is  
16 increased by an additional fifteen percent. However, the district's baseline funding  
17 per weighted student unit, after the reduction, may not be less than the payment  
18 per weighted student unit provided in subsection 3.

19 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid  
20 as the greater of:

21 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~  
22 ~~forty six eleven thousand two hundred ninety three~~eleven thousand four  
23 hundred four dollars;

24 (2) One hundred two percent of the district's baseline funding per weighted  
25 student unit, as established in subsection 2, multiplied by the district's  
26 weighted student units, not to exceed the district's 2017-18 baseline  
27 weighted student units, plus any weighted student units in excess of the  
28 2017-18 baseline weighted student units multiplied by ~~ten thousand~~  
29 ~~six hundred forty six eleven thousand two hundred ninety three~~eleven  
30 thousand four hundred four dollars; or

Sixty-ninth  
Legislative Assembly

- 1                   (3) The district's baseline funding as established in subsection 1 less the  
2                   amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
3                   and then the difference added to the amount determined in paragraph 1.
- 4           b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
5           superintendent shall calculate state aid as the greater of:
- 6           (1) The district's weighted student units multiplied by eleven thousand  
7           ~~seventy-two~~five hundred nineteen~~seven hundred forty-six~~ dollars;
- 8           (2) One hundred two percent of the district's baseline funding per weighted  
9           student unit, as established in subsection 2, multiplied by the district's  
10          weighted student units, not to exceed the district's 2017-18 baseline  
11          weighted student units, plus any weighted student units in excess of the  
12          2017-18 baseline weighted student units multiplied by eleven thousand  
13          ~~seventy-two~~five hundred nineteen~~seven hundred forty-six~~ dollars; or
- 14          (3) The district's baseline funding as established in subsection 1 less the  
15          amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
16          percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
17          increasing by fifteen percent each school year thereafter until the difference  
18          is reduced to zero, and then the difference added to the amount determined  
19          in paragraph 1.
- 20       4. After determining the product in accordance with subsection 3, the superintendent of  
21       public instruction shall:
- 22       a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23       school district; and
- 24       b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
25       ~~subdivisions e and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
26       subsection 1 and revenue from payments in lieu of taxes. Before determining the  
27       deduction for seventy-five percent of all revenue types, the superintendent of  
28       public instruction shall adjust revenues as follows:
- 29       (1) Tuition revenue shall be adjusted as follows:
- 30           (a) In addition to deducting tuition revenue received specifically for the  
31           operation of an educational program provided at a residential



Sixty-ninth  
Legislative Assembly

- 1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and
- 12 (b) The superintendent of public instruction also shall reduce the total  
13 tuition reported by admitting school districts meeting the requirements  
14 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
15 of tuition revenue received for the education of students residing in an  
16 adjacent school district.
- 17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.
- 22 5. The amount remaining after the computation required under subsection 4 is the  
23 amount of state aid to which a school district is entitled, subject to any other statutory  
24 requirements or limitations.
- 25 6. On or before June thirtieth of each year, the school board shall certify to the  
26 superintendent of public instruction the final average daily membership for the current  
27 school year.
- 28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 instruction on an annual basis:

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

8    ~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is~~  
9    ~~amended and reenacted as follows:~~

10   ~~15.1-27-35. Average daily membership--Calculation.~~

11   ~~1. Average daily membership is calculated at the conclusion of the school year by adding~~  
12   ~~the total number of hours that each student in a given grade, school, or school district~~  
13   ~~is in attendance at the school's physical plant during a school calendar and the total~~  
14   ~~number of hours that each student in a given grade, school, or school district is absent~~  
15   ~~during a school calendar, and then dividing the sum by:~~

- 16   ~~a.    Nine hundred sixty-two and one-half hours for elementary school students; or~~
- 17   ~~b.    One thousand fifty hours for middle and high school students.~~

18   ~~2. For purposes of calculating average daily membership:~~

- 19   ~~a.    A student enrolled full time in any grade from one through twelve may not exceed~~  
20   ~~an average daily membership of 1.00. The membership may be prorated for a~~  
21   ~~student who is enrolled less than full time.~~
- 22   ~~b.    A student enrolled full time in an approved regular education kindergarten~~  
23   ~~program may not exceed an average daily membership of 1.00. The membership~~  
24   ~~may be prorated for a student who is enrolled less than full time.~~
- 25   ~~c.    A student enrolled full time, as defined by the superintendent of public instruction,~~  
26   ~~in an approved early childhood special education program may not exceed an~~  
27   ~~average daily membership of 1.00. The membership may be prorated for a~~  
28   ~~student who is enrolled less than full time.~~
- 29   ~~d.    A student enrolled full time in virtual instruction is calculated at an average daily~~  
30   ~~membership of 1.00. The membership may be prorated for a student who is~~  
31   ~~enrolled less than full time.~~



- 1 ~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily~~  
2 ~~membership is the greater of:~~  
3 ~~a. The amount calculated in subsections 1 and 2 of this section; or~~  
4 ~~b. The average of the amounts calculated in subsections 1 and 2 of this~~  
5 ~~section for the prior three years.~~

6 **SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-32-19. Boarding care costs - Reimbursement of school district.**

9 The superintendent of public instruction shall reimburse a student's school district of  
10 residence an amount equal to eighty percent of the room and board costs paid by the district for  
11 a student with disabilities who is placed in a facility that is located either within or outside of the  
12 student's school district of residence in order to receive special education services. The  
13 student's school district of residence is liable for any room and board costs in excess of those  
14 reimbursed as provided in this section. The placement of a student with disabilities in a public or  
15 private facility will be made by a school district and approved by the superintendent of public  
16 instruction. ~~The placement superintendent of a student with disabilities in congregate care will be~~  
17 ~~made in a facility designated by public instruction may consult with the commissioner of the~~  
18 ~~department of health and human services on congregate care facilities.~~

19 **SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **48-01.2-02.1. Public improvement construction threshold.**

- 22 1. The threshold for bidding construction of a public improvement is two hundred fifty  
23 thousand dollars. The threshold for procuring plans, drawings, and specifications, and  
24 bonding from an architect or engineer for construction of a public improvement is two  
25 hundred fifty thousand dollars.  
26 2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision  
27 undertakes the construction of a public improvement and there is reason to believe  
28 that engineering or architectural services are necessary to protect the health, safety, or  
29 welfare of the public, the state or political subdivision shall consider consulting with an  
30 engineer or architect.



1     **SECTION 4. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3     **48-01.2-10. Bonds from contractors for public improvements.**

- 4     1. Unless otherwise provided under this chapter, a governing body authorized to enter a  
5 contract for the construction of a public improvement in excess of two hundred fifty  
6 thousand dollars shall take from the contractor a bond before permitting any work to  
7 be done on the contract. The bond must be for an amount equal at least to the price  
8 stated in the contract. The bond must be conditioned to be void if the contractor and all  
9 subcontractors fully perform all terms, conditions, and provisions of the contract and  
10 pay all bills or claims on account of labor performed and any supplies, and materials  
11 furnished and used in the performance of the contract, including all demands of  
12 subcontractors. The requirement that bills and claims be paid must include the  
13 requirement that interest of the amount authorized under section 13-01-14 be paid on  
14 bills and claims not paid within ninety days. The bond is security for all bills, claims,  
15 and demands until fully paid, with preference to labor and material suppliers as to  
16 payment. The bond must run to the governing body, but any person having a lawful  
17 claim against the contractor or any subcontractor may sue on the bond.
- 18     2. A governing body may not require any person required to provide a surety bond to  
19 obtain the surety bond from a specified insurance or surety company or insurance  
20 producer or to submit financial data to the company or producer.

21     **SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23     **57-15-14.2. School district levies.**

- 24     1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
25 ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
26 mills on the taxable valuation of the district, for any purpose related to the provision of  
27 educational services. The proceeds of this levy must be deposited into the school  
28 district's general fund and used in accordance with this subsection. The proceeds may  
29 not be transferred into any other fund.
- 30     2. The board of a school district may levy no more than twelve mills on the taxable  
31 valuation of the district, for miscellaneous purposes and expenses. The proceeds of

Sixty-ninth  
Legislative Assembly

1           this levy must be deposited into a special fund known as the miscellaneous fund and  
2           used in accordance with this subsection. The proceeds may not be transferred into  
3           any other fund.

4           3. The board of a school district may levy no more than three mills on the taxable  
5           valuation of the district for deposit into a special reserve fund, in accordance with  
6           chapter 57-19.

7           4. The board of a school district may levy no more than the number of mills necessary,  
8           on the taxable valuation of the district, for the payment of tuition, in accordance with  
9           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
10          known as the tuition fund and used in accordance with this subsection. The proceeds  
11          may not be transferred into any other fund.

12          5. The board of a school district may levy no more than five mills on the taxable valuation  
13          of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
14          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
15          deposited into a special fund known as the school safety plan fund and used in  
16          accordance with this subsection.

17          6. Nothing in this section limits the board of a school district from levying:  
18           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
19           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
20           including the mills necessary to pay principal and interest on any bonded debt  
21           incurred under section 57-15-17.1 before July 1, 2013.

22           **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

23           **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
24           budget shall transfer the sum of ~~\$75,000,000~~ \$100,000,000 from the foundation aid stabilization  
25           fund to the school construction assistance revolving loan fund during the biennium beginning  
26           July 1, 2025, and ending June 30, 2027.

27           **SECTION 7. EFFECTIVE DATE.** Section 45 of this Act is effective for taxable years  
28           beginning after December 31, 2024.

**2025 CONFERENCE COMMITTEE**

**HB 1369**



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1369  
4/25/2025  
Conference Committee

A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-32-19, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

8:33 a.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Representatives Richter, Heinert, Senators Beard, Schaible, Sorvaag.

### **Discussion Topics:**

- Grand Forks AFB

8:30 a.m. Senator Schaible discussed Senate changes, testimony #45183.

8:40 a.m. Discussion

8:50 a.m. Chairman Nathe adjourned the meeting

*Krystal Eberle for Steven Riehl, Committee Clerk*

25.0716.04003  
Title.06000

Prepared by the Legislative Council  
Staff for Senator Schaible  
April 2, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

### REENGROSSED HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of the amendments (25.0716.04002) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04003) as follows:*

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~15.1-32-19,  
2 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the  
3 determination of state aid, ~~the calculation of average daily membership~~boarding care costs,  
4 public improvement construction, bonds from contractors for public improvements, and school  
5 district levies; to provide for a transfer; and to provide an effective date.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (~~Effective~~**  
10 **~~through June 30, 2025~~) (~~Retroactive application -~~ See note)**

11 4. ~~To determine the amount of state aid payable to each district, the superintendent of~~  
12 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
13 ~~funding consists of:~~  
14 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
15 ~~2018-19 school year;~~  
16 b. ~~An amount equal to the property tax deducted by the superintendent of public~~  
17 ~~instruction to determine the 2018-19 state aid payment;~~  
18 c. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
19 ~~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(e)(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           e. ~~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. For the 2023-24 school year the~~  
6           ~~superintendent shall reduce the district's baseline funding per weighted student~~  
7           ~~unit by forty percent of the amount by which the district's baseline funding per~~  
8           ~~weighted student unit exceeds the payment per weighted student unit for the~~  
9           ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
10          ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
11          ~~per weighted student unit, after the reduction, may not be less than the payment~~  
12          ~~per weighted student unit provided in subsection 3.~~
- 13          3.   a. ~~For the 2023-24 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 six hundred~~  
16               ~~forty-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               ~~six hundred forty-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 forty percent and~~  
25               ~~then the difference added to the amount determined in paragraph 1.~~
- 26          b. ~~For the 2024-25 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 eleven thousand~~  
29               ~~seventy-two 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 eleven thousand~~  
4                   ~~seventy-two 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 fifty-five percent for~~  
7                   ~~the 2024-25 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       4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
11           ~~public instruction shall:~~  
12           a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
13               ~~school district, except the amount in dollars subtracted for purposes of this~~  
14               ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
15               ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
16               ~~section 15.1-27-04.3; and~~  
17           b. ~~Subtract an amount equal to seventy-five percent of all revenue types listed in~~  
18               ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
19               ~~seventy-five percent of all revenue types, the superintendent of public instruction~~  
20               ~~shall adjust revenues as follows:~~  
21           (1) ~~Tuition revenue shall be adjusted as follows:~~  
22               (a) ~~In addition to deducting tuition revenue received specifically for the~~  
23                   ~~operation of an educational program provided at a residential~~  
24                   ~~treatment facility, tuition revenue received for the provision of an adult~~  
25                   ~~farm management program, tuition received for the education of~~  
26                   ~~high-cost and special education students, and tuition received under~~  
27                   ~~an agreement to educate students from a school district on an~~  
28                   ~~air force base with funding received through federal impact aid as~~  
29                   ~~directed each school year in paragraph 3 of subdivision c of~~  
30                   ~~subsection 1, the superintendent of public instruction also shall reduce~~  
31                   ~~the total tuition reported by the school district by the amount of tuition~~

1 revenue received for the education of students not residing in the  
2 state and for which the state has not entered a cross-border education  
3 contract; and

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

9 (2) After adjusting tuition revenue as provided in paragraph 1, the  
10 superintendent shall reduce all remaining revenues from all revenue types  
11 by the percentage of mills levied in 2022 by the school district for sinking  
12 and interest relative to the total mills levied in 2022 by the school district for  
13 all purposes:

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

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

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

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

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

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

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

- 1       1. To determine the amount of state aid payable to each district, the superintendent of  
2       public instruction shall establish each district's baseline funding. A district's baseline  
3       funding consists of:
  - 4       a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5       2018-19 school year;
  - 6       b. An amount equal to the property tax deducted by the superintendent of public  
7       instruction to determine the 2018-19 state aid payment;
  - 8       c. An amount equal to seventy-five percent of the revenue received by the school  
9       district during the 2017-18 school year for the following revenue types:
    - 10       (1) Revenue reported under code 2000 of the North Dakota school district  
11       financial accounting and reporting manual, as developed by the  
12       superintendent of public instruction in accordance with section 15.1-02-08;
    - 13       (2) Mineral revenue received by the school district through direct allocation from  
14       the state treasurer and not reported under code 2000 of the North Dakota  
15       school district financial accounting and reporting manual, as developed by  
16       the superintendent of public instruction in accordance with section  
17       15.1-02-08;
    - 18       (3) Tuition reported under code 1300 of the North Dakota school district  
19       financial accounting and reporting manual, as developed by the  
20       superintendent of public instruction in accordance with section 15.1-02-08,  
21       with the exception of revenue received specifically for the operation of an  
22       educational program provided at a residential treatment facility, tuition  
23       received for the provision of an adult farm management program, and  
24       beginning in the 2025-26 school year, eighty-five percent of tuition received  
25       under an agreement to educate students from a school district on an  
26       air force base with funding received through federal impact aid, until the  
27       2026-27 school year, and each school year thereafter, when all tuition  
28       received under an agreement to educate students from a school district on  
29       an air force base with funding received through federal impact aid must be  
30       excluded from the tuition calculation under this paragraph;



- 1                   (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 2                   of electric power;
- 3                   (5) Revenue from payments in lieu of taxes on electricity generated from
- 4                   sources other than coal; and
- 5                   (6) Revenue from the leasing of land acquired by the United States for which
- 6                   compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 7           d. An amount equal to the total revenue received by the school district during the
- 8           2017-18 school year for the following revenue types:
- 9                   (1) Mobile home tax revenue;
- 10                  (2) Telecommunications tax revenue; and
- 11                  (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 12                  homestead credit and disabled veterans credit; and
- 13           e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 14           baseline funding for any school district that becomes an elementary district
- 15           pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 16           be proportional to the number of weighted student units in the grades that are
- 17           offered through another school district relative to the total number of weighted
- 18           student units the school district offered in the year before the school district
- 19           became an elementary district. The reduced baseline funding applies to the
- 20           calculation of state aid for the first school year in which the school district
- 21           becomes an elementary district and for each year thereafter. For districts that
- 22           become an elementary district prior to the 2020-21 school year, the
- 23           superintendent shall use the reduced baseline funding to calculate state aid for
- 24           the 2020-21 school year and for each year thereafter.
- 25           2. a. The superintendent shall divide the district's baseline funding determined in
- 26               subsection 1 by the district's 2017-18 weighted student units to determine the
- 27               district's baseline funding per weighted student unit.
- 28               b. For any school district that becomes an elementary district pursuant to section
- 29               15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 30               district's baseline funding per weighted student unit used to calculate state aid.
- 31               The superintendent shall divide the district's baseline funding determined in

subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. For the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid as the greater of:

(1) The district's weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars;

(2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ~~ten thousand six hundred forty-six~~eleven thousand four hundred four dollars; or

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

- 1           b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
2           superintendent shall calculate state aid as the greater of:
- 3           (1) The district's weighted student units multiplied by eleven thousand  
4           ~~seventy-two~~seven hundred forty-six dollars;
- 5           (2) One hundred two percent of the district's baseline funding per weighted  
6           student unit, as established in subsection 2, multiplied by the district's  
7           weighted student units, not to exceed the district's 2017-18 baseline  
8           weighted student units, plus any weighted student units in excess of the  
9           2017-18 baseline weighted student units multiplied by eleven thousand  
10          ~~seventy-two~~seven hundred forty-six dollars; or
- 11          (3) The district's baseline funding as established in subsection 1 less the  
12          amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
13          percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
14          increasing by fifteen percent each school year thereafter until the difference  
15          is reduced to zero, and then the difference added to the amount determined  
16          in paragraph 1.
- 17          4. After determining the product in accordance with subsection 3, the superintendent of  
18          public instruction shall:
- 19               a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
20               school district; and
- 21               b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
22               ~~subdivisions e and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
23               subsection 1 and revenue from payments in lieu of taxes. Before determining the  
24               deduction for seventy-five percent of all revenue types, the superintendent of  
25               public instruction shall adjust revenues as follows:
- 26               (1) Tuition revenue shall be adjusted as follows:
- 27                   (a) In addition to deducting tuition revenue received specifically for the  
28                   operation of an educational program provided at a residential  
29                   treatment facility, tuition revenue received for the provision of an adult  
30                   farm management program, tuition received for the education of  
31                   high-cost and special education students, and tuition received under

- 1 an agreement to educate students from a school district on an  
2 air force base with funding received through federal impact aid as  
3 directed each school year in paragraph 3 of subdivision c of  
4 subsection 1, the superintendent of public instruction also shall reduce  
5 the total tuition reported by the school district by the amount of tuition  
6 revenue received for the education of students not residing in the  
7 state and for which the state has not entered a cross-border education  
8 contract; and
- 9 (b) The superintendent of public instruction also shall reduce the total  
10 tuition reported by admitting school districts meeting the requirements  
11 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
12 of tuition revenue received for the education of students residing in an  
13 adjacent school district.
- 14 (2) After adjusting tuition revenue as provided in paragraph 1, the  
15 superintendent shall reduce all remaining revenues from all revenue types  
16 by the percentage of mills levied in ~~2022~~2024 by the school district for  
17 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
18 school district for all purposes.
- 19 5. The amount remaining after the computation required under subsection 4 is the  
20 amount of state aid to which a school district is entitled, subject to any other statutory  
21 requirements or limitations.
- 22 6. On or before June thirtieth of each year, the school board shall certify to the  
23 superintendent of public instruction the final average daily membership for the current  
24 school year.
- 25 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
26 with the school districts, shall report the following to the superintendent of public  
27 instruction on an annual basis:
- 28 a. The amount of revenue received by each school district in the county during the  
29 previous school year for each type of revenue identified in subdivisions c and d of  
30 subsection 1;



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

5     ~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is~~  
6     ~~amended and reenacted as follows:~~

7     ~~15.1-27-35. Average daily membership--Calculation.~~

8     ~~1. Average daily membership is calculated at the conclusion of the school year by adding~~  
9     ~~the total number of hours that each student in a given grade, school, or school district~~  
10    ~~is in attendance at the school's physical plant during a school calendar and the total~~  
11    ~~number of hours that each student in a given grade, school, or school district is absent~~  
12    ~~during a school calendar, and then dividing the sum by:~~

13    ~~a. Nine hundred sixty two and one-half hours for elementary school students; or~~

14    ~~b. One thousand fifty hours for middle and high school students.~~

15    ~~2. For purposes of calculating average daily membership:~~

16    ~~a. A student enrolled full time in any grade from one through twelve may not exceed~~  
17    ~~an average daily membership of 1.00. The membership may be prorated for a~~  
18    ~~student who is enrolled less than full time.~~

19    ~~b. A student enrolled full time in an approved regular education kindergarten~~  
20    ~~program may not exceed an average daily membership of 1.00. The membership~~  
21    ~~may be prorated for a student who is enrolled less than full time.~~

22    ~~c. A student enrolled full time, as defined by the superintendent of public instruction,~~  
23    ~~in an approved early childhood special education program may not exceed an~~  
24    ~~average daily membership of 1.00. The membership may be prorated for a~~  
25    ~~student who is enrolled less than full time.~~

26    ~~d. A student enrolled full time in virtual instruction is calculated at an average daily~~  
27    ~~membership of 1.00. The membership may be prorated for a student who is~~  
28    ~~enrolled less than full time.~~

29    ~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily~~  
30    ~~membership is the greater of:~~

31    ~~a. The amount calculated in subsections 1 and 2 of this section; or~~

1 ~~b. The average of the amounts calculated in subsections 1 and 2 of this~~  
2 ~~section for the prior three years.~~

3 **SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15.1-32-19. Boarding care costs - Reimbursement of school district.**

6 The superintendent of public instruction shall reimburse a student's school district of  
7 residence an amount equal to eighty percent of the room and board costs paid by the district for  
8 a student with disabilities who is placed in a facility that is located either within or outside of the  
9 student's school district of residence in order to receive special education services. The  
10 student's school district of residence is liable for any room and board costs in excess of those  
11 reimbursed as provided in this section. The placement of a student with disabilities in a public or  
12 private facility will be made by a school district and approved by the superintendent of public  
13 instruction. The ~~placementsuperintendent~~ of ~~a student with disabilities in congregate care will be~~  
14 ~~made in a facility designated by~~ public instruction may consult with the commissioner of the  
15 department of health and human services on congregate care facilities.

16 **SECTION 3. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **48-01.2-02.1. Public improvement construction threshold.**

- 19 1. The threshold for bidding construction of a public improvement is two hundred fifty  
20 thousand dollars. The threshold for procuring plans, drawings, and specifications, ~~and~~  
21 ~~bonding~~ from an architect or engineer for construction of a public improvement is two  
22 hundred fifty thousand dollars.
- 23 2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision  
24 undertakes the construction of a public improvement and there is reason to believe  
25 that engineering or architectural services are necessary to protect the health, safety, or  
26 welfare of the public, the state or political subdivision shall consider consulting with an  
27 engineer or architect.

28 **SECTION 4. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is  
29 amended and reenacted as follows:



**48-01.2-10. Bonds from contractors for public improvements.**

1. Unless otherwise provided under this chapter, a governing body authorized to enter a contract for the construction of a public improvement in excess of two hundred fifty thousand dollars shall take from the contractor a bond before permitting any work to be done on the contract. The bond must be for an amount equal at least to the price stated in the contract. The bond must be conditioned to be void if the contractor and all subcontractors fully perform all terms, conditions, and provisions of the contract and pay all bills or claims on account of labor performed and any supplies, and materials furnished and used in the performance of the contract, including all demands of subcontractors. The requirement that bills and claims be paid must include the requirement that interest of the amount authorized under section 13-01-14 be paid on bills and claims not paid within ninety days. The bond is security for all bills, claims, and demands until fully paid, with preference to labor and material suppliers as to payment. The bond must run to the governing body, but any person having a lawful claim against the contractor or any subcontractor may sue on the bond.
2. A governing body may not require any person required to provide a surety bond to obtain the surety bond from a specified insurance or surety company or insurance producer or to submit financial data to the company or producer.

**SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and

1           used in accordance with this subsection. The proceeds may not be transferred into  
2           any other fund.

3           3. The board of a school district may levy no more than three mills on the taxable  
4           valuation of the district for deposit into a special reserve fund, in accordance with  
5           chapter 57-19.

6           4. The board of a school district may levy no more than the number of mills necessary,  
7           on the taxable valuation of the district, for the payment of tuition, in accordance with  
8           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
9           known as the tuition fund and used in accordance with this subsection. The proceeds  
10          may not be transferred into any other fund.

11          5. The board of a school district may levy no more than five mills on the taxable valuation  
12          of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
13          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
14          deposited into a special fund known as the school safety plan fund and used in  
15          accordance with this subsection.

16          6. Nothing in this section limits the board of a school district from levying:  
17           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
18           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
19           including the mills necessary to pay principal and interest on any bonded debt  
20           incurred under section 57-15-17.1 before July 1, 2013.

21           **SECTION 6. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

22           **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
23           budget shall transfer the sum of ~~\$75,000,000~~\$100,000,000 from the foundation aid stabilization  
24           fund to the school construction assistance revolving loan fund during the biennium beginning  
25           July 1, 2025, and ending June 30, 2027.

26           **SECTION 7. EFFECTIVE DATE.** Section ~~4~~5 of this Act is effective for taxable years  
27           beginning after December 31, 2024.



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1369  
4/28/2025  
Conference Committee

A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-32-19, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

4:30 p.m. Chairman Nathe called the meeting to order

Members present: Chairman Nathe, Representatives Heinert, Richter, Senators Schaible, Sorvaag, and Beard

### **Discussion Topics:**

- School loans

4:31 p.m. Senator Schaible covered the Senate budget.

4:36 p.m. Discussion

4:47 p.m. Chairman Nathe adjourned the meeting.

*Steven Riehl, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1369  
5/1/2025  
Conference Committee

A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-32-19, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

10:06 p.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Representatives Vigesaa, Richter, Senators Beard, Schaible, Sorvaag.

### **Discussion Topics:**

- Per Pupil Payment

10:10 a.m. Representative Vigesaa moved to amend to approve per pupil payment to 2.5 by 2.5 rate.

10:11 a.m. Representative Richter seconded the motion.

10:11 a.m. Roll Call Vote. Motion passed 6-0-0.

10:18 a.m. Representative Richter moved to amend to zero out the sum on line 23 page 15 and reduce the tiers funding from 30 million to 20 million and 15 million to 10 million.

10:19 a.m. Representative Vigesaa seconded the motion.

10:19 a.m. Roll Call Vote. Motion passed 6-0-0.

10:26 p.m. Chairman Nathe adjourned the meeting.

*Krystal Eberle for Steven Riehl, Committee Clerk*

## HB 1369 050125 1011 AM Roll Call Vote

### Amendment

**HB 1369**

**Date Submitted:** May 1, 2025, 10:11 a.m.

**Action:** Passed

**Amendment LC #:** Pending LC #

**Motioned By:** Vigesaa, Don

**Seconded By:** Richter, David

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

**Description:** approve 2.5 by 2.5 rate per  
pupil

Rep. Nathe, Mike	Yea
Rep. Richter, David	Yea
Rep. Vigesaa, Don	Yea
Sen. Schaible, Donald	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Beard, Todd	Yea

## HB 1369 050125 1019 AM Roll Call Vote

### Amendment

**HB 1369**

**Date Submitted:** May 1, 2025, 10:19 a.m.

**Action:** Passed

**Amendment LC #:** Pending LC #

**Motioned By:** Richter, David

**Seconded By:** Vigesaa, Don

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

**Description:** Amend line 23, page 15 and  
reduce tier funding

Rep. Nathe, Mike	Yea
Rep. Richter, David	Yea
Rep. Vigesaa, Don	Yea
Sen. Schaible, Donald	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Beard, Todd	Yea



# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1369  
5/2/2025  
Conference Committee

A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-32-19, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, relating to the determination of state aid, boarding care costs, public improvement construction, bonds from contractors for public improvements, and school district levies; to provide for a transfer; and to provide an effective date.

10:02 a.m. Chairman Nathe called the meeting to order.

Members present: Chairman Nathe, Representatives Richter, Vigesaa, Senators Beard, Schaible, Sorvaag.

### **Discussion Topics:**

- Committee Action

10:03 a.m. Chairman Nathe introduced amendment testimony LC# 25.0716.04007, #45366.

10:06 a.m. Representative Vigesaa moved to adopt LC# 25.0716.04007.

10:07 a.m. Senator Sorvaag seconded the motion.

10:07 a.m. Roll Call Vote. Motion passed 6-0-0.

10:08 a.m. Senator Sorvaag moved LC# 25.0716.04007 in place of LC #25.0716.04003.

10:08 a.m. Representative Vigesaa seconded the motion.

10:08 a.m. Roll Call Vote. Motion passed 6-0-0.

Representative Nathe and Senator Schaible will carry the bill.

10:08 a.m. Chairman Nathe adjourned the meeting.

*Krystal Eberle for Steven Riehl, Committee Clerk*

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5-2-25

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

### REENGROSSED HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of amendment (25.0716.04003) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04007) as follows:*

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~15.1-32-19,  
2 15.1-36-02, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, and  
3 section 15.1-36-08 as amended by section 1 of Senate Bill No. 2149, as approved by the  
4 sixty-ninth legislative assembly, relating to the determination of state aid, ~~the calculation of~~  
5 ~~average daily membership~~boarding care costs, the coal development trust fund, the school  
6 construction assistance revolving loan fund, public improvement construction, bonds from  
7 contractors for public improvements, and school district levies; ~~to provide for a transfer; and to~~  
8 provide an effective date; and to declare an emergency.

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

10 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
13 **through June 30, 2025) (Retroactive application - See note)**

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

17 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
18 ~~2018-19 school year;~~

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

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- e. ~~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~~



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5-2-25

(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);

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

(1) Mobile home tax revenue;

(2) Telecommunications tax revenue; and

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

e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.

2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.

b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid.

The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline

funding per weighted student unit. The superintendent shall use the district's

adjusted baseline funding per weighted student unit in the calculation of state aid



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- 1 for the first school year in which the school district becomes an elementary  
2 district and for each year thereafter.
- 3 e. Beginning with the 2021-22 school year and for each school year thereafter, the  
4 superintendent shall reduce the district's baseline funding per weighted student  
5 unit. Each year the superintendent shall calculate the amount by which the  
6 district's baseline funding per weighted student unit exceeds the payment per  
7 weighted student unit provided in subsection 3. For the 2023-24 school year the  
8 superintendent shall reduce the district's baseline funding per weighted student  
9 unit by forty percent of the amount by which the district's baseline funding per  
10 weighted student unit exceeds the payment per weighted student unit for the  
11 2023-24 school year. For each year thereafter, the reduction percentage is  
12 increased by an additional fifteen percent. However, the district's baseline funding  
13 per weighted student unit, after the reduction, may not be less than the payment  
14 per weighted student unit provided in subsection 3.
- 15 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the  
16 greater of:
- 17 (1) The district's weighted student units multiplied by ten thousand six hundred  
18 forty-six dollars;
- 19 (2) One hundred two percent of the district's baseline funding per weighted  
20 student unit, as established in subsection 2, multiplied by the district's  
21 weighted student units, not to exceed the district's 2017-18 baseline  
22 weighted student units, plus any weighted student units in excess of the  
23 2017-18 baseline weighted student units multiplied by ten thousand  
24 six hundred forty-six dollars; or
- 25 (3) The district's baseline funding as established in subsection 1 less the  
26 amount in paragraph 1, with the difference reduced by forty percent and  
27 then the difference added to the amount determined in paragraph 1.
- 28 b. For the 2024-25 school year and each school year thereafter, the superintendent  
29 shall calculate state aid as the greater of:
- 30 (1) The district's weighted student units multiplied by eleven thousand  
31 seventy-two dollars;

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5-2-25

- 1                   (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
2                   ~~student unit, as established in subsection 2, multiplied by the district's~~  
3                   ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
4                   ~~weighted student units, plus any weighted student units in excess of the~~  
5                   ~~2017-18 baseline weighted student units multiplied by eleven thousand~~  
6                   ~~seventy two dollars; or~~
- 7                   (3) ~~The district's baseline funding as established in subsection 1 less the~~  
8                   ~~amount in paragraph 1, with the difference reduced by fifty five percent for~~  
9                   ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~  
10                  ~~percent each school year thereafter until the difference is reduced to zero,~~  
11                  ~~and then the difference added to the amount determined in paragraph 1.~~
- 12                4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
13                  ~~public instruction shall:~~
- 14                  a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
15                  ~~school district, except the amount in dollars subtracted for purposes of this~~  
16                  ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
17                  ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
18                  ~~section 15.1-27-04.3; and~~
- 19                  b. ~~Subtract an amount equal to seventy five percent of all revenue types listed in~~  
20                  ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
21                  ~~seventy five percent of all revenue types, the superintendent of public instruction~~  
22                  ~~shall adjust revenues as follows:~~
- 23                  (1) ~~Tuition revenue shall be adjusted as follows:~~
- 24                       (a) ~~In addition to deducting tuition revenue received specifically for the~~  
25                       ~~operation of an educational program provided at a residential~~  
26                       ~~treatment facility, tuition revenue received for the provision of an adult~~  
27                       ~~farm management program, tuition received for the education of~~  
28                       ~~high cost and special education students, and tuition received under~~  
29                       ~~an agreement to educate students from a school district on an~~  
30                       ~~air force base with funding received through federal impact aid as~~  
31                       ~~directed each school year in paragraph 3 of subdivision c of~~



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subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

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

(2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.

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

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5-2-25

**~~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 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 2025-26 school year, eighty-five 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, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on



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5-2-25

- 1 an air force base with funding received through federal impact aid must be  
2 excluded from the tuition calculation under this paragraph;
- 3 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
4 of electric power;
- 5 (5) Revenue from payments in lieu of taxes on electricity generated from  
6 sources other than coal; and
- 7 (6) Revenue from the leasing of land acquired by the United States for which  
8 compensation is allocated to the state under 33 U.S.C. 701(c)(3); ~~and~~
- 9 d. An amount equal to the total revenue received by the school district during the  
10 2017-18 school year for the following revenue types:
- 11 (1) Mobile home tax revenue;
- 12 (2) Telecommunications tax revenue; and
- 13 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
14 homestead credit and disabled veterans credit; and
- 15 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
16 baseline funding for any school district that becomes an elementary district  
17 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
18 be proportional to the number of weighted student units in the grades that are  
19 offered through another school district relative to the total number of weighted  
20 student units the school district offered in the year before the school district  
21 became an elementary district. The reduced baseline funding applies to the  
22 calculation of state aid for the first school year in which the school district  
23 becomes an elementary district and for each year thereafter. For districts that  
24 become an elementary district prior to the 2020-21 school year, the  
25 superintendent shall use the reduced baseline funding to calculate state aid for  
26 the 2020-21 school year and for each year thereafter.
- 27 2. a. The superintendent shall divide the district's baseline funding determined in  
28 subsection 1 by the district's 2017-18 weighted student units to determine the  
29 district's baseline funding per weighted student unit.
- 30 b. For any school district that becomes an elementary district pursuant to section  
31 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the

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9720  
5-2-25

- 1 district's baseline funding per weighted student unit used to calculate state aid.
- 2 The superintendent shall divide the district's baseline funding determined in
- 3 subsection 1 by the district's weighted student units after the school district
- 4 becomes an elementary district to determine the district's adjusted baseline
- 5 funding per weighted student unit. The superintendent shall use the district's
- 6 adjusted baseline funding per weighted student unit in the calculation of state aid
- 7 for the first school year in which the school district becomes an elementary
- 8 district and for each year thereafter.
- 9 c. Beginning with the 2021-22 school year and for each school year thereafter, the
- 10 superintendent shall reduce the district's baseline funding per weighted student
- 11 unit. Each year the superintendent shall calculate the amount by which the
- 12 district's baseline funding per weighted student unit exceeds the payment per
- 13 weighted student unit provided in subsection 3. For the 2023-24 school year the
- 14 superintendent shall reduce the district's baseline funding per weighted student
- 15 unit by forty percent of the amount by which the district's baseline funding per
- 16 weighted student unit exceeds the payment per weighted student unit for the
- 17 2023-24 school year. For each year thereafter, the reduction percentage is
- 18 increased by an additional fifteen percent. However, the district's baseline funding
- 19 per weighted student unit, after the reduction, may not be less than the payment
- 20 per weighted student unit provided in subsection 3.
- 21 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid
- 22 as the greater of:
- 23 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~
- 24 ~~forty-six~~eleven thousand three hundred forty-nine dollars;
- 25 (2) One hundred two percent of the district's baseline funding per weighted
- 26 student unit, as established in subsection 2, multiplied by the district's
- 27 weighted student units, not to exceed the district's 2017-18 baseline
- 28 weighted student units, plus any weighted student units in excess of the
- 29 2017-18 baseline weighted student units multiplied by ~~ten thousand~~
- 30 ~~six hundred forty-six~~eleven thousand three hundred forty-nine dollars; or



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- 1 (3) The district's baseline funding as established in subsection 1 less the  
2 amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
3 and then the difference added to the amount determined in paragraph 1.
- 4 b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
5 superintendent shall calculate state aid as the greater of:
- 6 (1) The district's weighted student units multiplied by eleven thousand  
7 ~~seventy-two~~six hundred thirty-three dollars;
- 8 (2) One hundred two percent of the district's baseline funding per weighted  
9 student unit, as established in subsection 2, multiplied by the district's  
10 weighted student units, not to exceed the district's 2017-18 baseline  
11 weighted student units, plus any weighted student units in excess of the  
12 2017-18 baseline weighted student units multiplied by eleven thousand  
13 ~~seventy-two~~six hundred thirty-three dollars; or
- 14 (3) The district's baseline funding as established in subsection 1 less the  
15 amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
16 percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
17 increasing by fifteen percent each school year thereafter until the difference  
18 is reduced to zero, and then the difference added to the amount determined  
19 in paragraph 1.
- 20 4. After determining the product in accordance with subsection 3, the superintendent of  
21 public instruction shall:
- 22 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23 school district; and
- 24 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
25 ~~subdivisions c and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
26 subsection 1 and revenue from payments in lieu of taxes. Before determining the  
27 deduction for seventy-five percent of all revenue types, the superintendent of  
28 public instruction shall adjust revenues as follows:
- 29 (1) Tuition revenue shall be adjusted as follows:
- 30 (a) In addition to deducting tuition revenue received specifically for the  
31 operation of an educational program provided at a residential

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5-2-25

- 1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and
- 12 (b) The superintendent of public instruction also shall reduce the total  
13 tuition reported by admitting school districts meeting the requirements  
14 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
15 of tuition revenue received for the education of students residing in an  
16 adjacent school district.
- 17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.
- 22 5. The amount remaining after the computation required under subsection 4 is the  
23 amount of state aid to which a school district is entitled, subject to any other statutory  
24 requirements or limitations.
- 25 6. On or before June thirtieth of each year, the school board shall certify to the  
26 superintendent of public instruction the final average daily membership for the current  
27 school year.
- 28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 instruction on an annual basis:



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

8 ~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is~~  
9 ~~amended and reenacted as follows:~~

10 ~~15.1-27-35. Average daily membership - Calculation.~~

- 11 ~~1. Average daily membership is calculated at the conclusion of the school year by adding~~  
12 ~~the total number of hours that each student in a given grade, school, or school district~~  
13 ~~is in attendance at the school's physical plant during a school calendar and the total~~  
14 ~~number of hours that each student in a given grade, school, or school district is absent~~  
15 ~~during a school calendar, and then dividing the sum by:~~
  - 16 ~~a. Nine hundred sixty two and one half hours for elementary school students; or~~
  - 17 ~~b. One thousand fifty hours for middle and high school students.~~
- 18 ~~2. For purposes of calculating average daily membership:~~
  - 19 ~~a. A student enrolled full time in any grade from one through twelve may not exceed~~  
20 ~~an average daily membership of 1.00. The membership may be prorated for a~~  
21 ~~student who is enrolled less than full time.~~
  - 22 ~~b. A student enrolled full time in an approved regular education kindergarten~~  
23 ~~program may not exceed an average daily membership of 1.00. The membership~~  
24 ~~may be prorated for a student who is enrolled less than full time.~~
  - 25 ~~c. A student enrolled full time, as defined by the superintendent of public instruction,~~  
26 ~~in an approved early childhood special education program may not exceed an~~  
27 ~~average daily membership of 1.00. The membership may be prorated for a~~  
28 ~~student who is enrolled less than full time.~~
  - 29 ~~d. A student enrolled full time in virtual instruction is calculated at an average daily~~  
30 ~~membership of 1.00. The membership may be prorated for a student who is~~  
31 ~~enrolled less than full time.~~



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~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:~~

~~a. The amount calculated in subsections 1 and 2 of this section; or~~

~~b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.~~

**SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-19. Boarding care costs - Reimbursement of school district.**

The superintendent of public instruction shall reimburse a student's school district of residence an amount equal to eighty percent of the room and board costs paid by the district for a student with disabilities who is placed in a facility that is located either within or outside of the student's school district of residence in order to receive special education services. The student's school district of residence is liable for any room and board costs in excess of those reimbursed as provided in this section. The placement of a student with disabilities in a public or private facility will be made by a school district and approved by the superintendent of public instruction. The placementsuperintendent of ~~a student with disabilities in congregate care will be made in a facility designated by~~ public instruction may consult with the commissioner of the department of health and human services on congregate care facilities.

**SECTION 3. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.**

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
  - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and



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- 1           b.    Submit to the superintendent of public instruction an application containing all
- 2                information deemed necessary by the superintendent, including potential
- 3                alternative sources or methods of financing the construction project.
- 4        3.    The superintendent of public instruction shall consider each loan application in the
- 5                order the application received approval under section 15.1-36-01.
- 6        4.    If the superintendent of public instruction approves the loan, the board of university
- 7                and school lands shall issue a loan from the coal development trust fund.
- 8        a.    For a loan made under this ~~section~~ subsection:
- 9                a-(1)   ~~The~~ Except for loans provided for a school construction project on an air
- 10               force base, the minimum loan amount is two hundred fifty thousand dollars
- 11                and the maximum loan amount for which a school district may qualify is five
- 12                million dollars;
- 13                b-(2)   The term of the loan is twenty years, unless the board of the school district
- 14                requests a shorter term in the written loan application; and
- 15                e-(3)   The interest rate of the loan may not exceed two percent per year.
- 16        b.    During the 2025-27 biennium, a loan for a school construction project on an air
- 17               force base is an allowable condition under subsection 2. For a loan made for a
- 18               school construction project on an air force base under this subsection:
- 19                (1)   The maximum loan amount for which the school district may qualify is the
- 20                lesser of twenty percent of the project cost or twenty million dollars;
- 21                (2)   The term of the loan is twenty years, unless the board of the school district
- 22                requests a shorter term in the written loan application;
- 23                (3)   The interest rate of the loan may not exceed two percent per year; and
- 24                (4)   The school district must obtain all necessary federal authorizations and
- 25                funding commitments for the project.
- 26        5.    a.    If a school district seeking a loan under this section received an allocation of the
- 27                oil and gas gross production tax during the previous fiscal year in accordance
- 28                with chapter 57-51, the board of the district shall provide to the board of
- 29                university and school lands, and to the state treasurer, its evidence of
- 30                indebtedness indicating the loan originated under this section.



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- 1           b. If the evidence of indebtedness is payable solely from the school district's
- 2           allocation of the oil and gas gross production tax in accordance with section
- 3           57-51-15, the loan does not constitute a general obligation of the school district
- 4           and may not be considered a debt of the district.
- 5           c. If a loan made to a school district is payable solely from the district's allocation of
- 6           the oil and gas gross production tax in accordance with section 57-51-15, the
- 7           terms of the loan must require the state treasurer withhold the dollar amount or
- 8           percentage specified in the loan agreement, from each of the district's oil and gas
- 9           gross production tax allocations, in order to repay the principal and interest of the
- 10          evidence of indebtedness. The state treasurer shall deposit the amount withheld
- 11          into the fund from which the loan originated.
- 12          d. Any evidence of indebtedness executed by the board of a school district under
- 13          this subsection is a negotiable instrument and not subject to taxation by the state
- 14          or any political subdivision of the state.
- 15          6. For purposes of this section, a "construction project" means the purchase, lease,
- 16          erection, or improvement of any structure or facility by a school board, provided the
- 17          acquisition or activity is within a school board's authority.

18       **SECTION 4. AMENDMENT.** Section 15.1-36-08 of the North Dakota Century Code as  
19 amended by section 1 of Senate Bill No. 2149, as approved by the sixty-ninth legislative  
20 assembly, is amended and reenacted as follows:

21       **15.1-36-08. School construction assistance revolving loan fund - Bank of North**  
22 **Dakota - School construction projects - Continuing appropriation.**

- 23          1. The school construction assistance revolving loan fund is a special revolving loan fund
- 24          administered by the Bank. The fund consists of all moneys appropriated or transferred
- 25          to the fund by the legislative assembly, all interest or other earnings of the fund, and all
- 26          repayments of loans made from the fund.
- 27          2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of
- 28          principal and interest are appropriated to the Bank on a continuing basis for the
- 29          purpose of providing low-interest school construction loans and for paying
- 30          administrative costs, in accordance with this section.



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- 1       3. For a school construction project not located on an air force base, to be eligible for a  
2       loan under this section, the board of a school district shall:
  - 3       a. Propose a new construction or remodeling project with a cost of at least  
4       one million dollars and an expected utilization of at least thirty years;
  - 5       b. Obtain the approval of the superintendent of public instruction for the project  
6       under section 15.1-36-01;
  - 7       c. (1) Publish in the official newspaper of the district the information regarding the  
8       proposed estimated additional millage and the dollar increase per  
9       one thousand dollars of taxable valuation in accordance with section  
10       21-03-13 along with the notice of the election in accordance with section  
11       21-03-12 or along with the initial resolution in accordance with subsection 7  
12       of section 21-03-07; and  
13       (2) Post the information on the school district's website before the date of the  
14       election or during the protest period in accordance with chapter 21-03;
  - 15       d. Receive authorization for a bond issue in accordance with chapter 21-03; and  
16       e. Submit a completed application to the Bank.
- 17       4. For a school construction project located on an air force base, to be eligible for a loan  
18       under this section, the board of the school district shall:
  - 19       a. Propose a new construction or remodeling project on an air force base which has  
20       a cost of at least one million dollars and an expected utilization of at least thirty  
21       years;
  - 22       b. Obtain the approval of the superintendent of public instruction for the project  
23       under section 15.1-36-01;
  - 24       c. Obtain all necessary federal authorizations and funding commitments for the  
25       project; and  
26       d. Submit a completed application to the Bank.
- 27       5. ~~The superintendent of public instruction shall designate, until June 30, 2027, or until a~~  
28       ~~loan is made as identified in this section, twenty million dollars of funds available for~~  
29       ~~loans in the school construction assistance revolving loan fund for a loan to provide~~  
30       ~~matching funds for the construction of facilities on an air force base.~~



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5-2-25

- 1 ~~6.~~ The superintendent of public instruction shall review loan applications based on a  
2 prioritization system that includes a review of all applications filed during the  
3 twelve-month period preceding April first and gives consideration to:
- 4 a. Student occupancy and academic needs in the district;
  - 5 b. The age of existing structures to be replaced or remodeled;
  - 6 c. Building design proposals that are based on safety and vulnerability  
7 assessments;
  - 8 d. Community support;
  - 9 e. Cost; and
  - 10 f. Any other criteria established by the superintendent of public instruction, after  
11 consultation with an interim committee appointed by the legislative management.
- 12 ~~7-6.~~ If the superintendent of public instruction approves the loan, the Bank shall issue a  
13 loan from the school construction assistance revolving loan fund. For a loan made  
14 under this section:
- 15 a. If the school construction project totals less than seventy-five million dollars, the  
16 maximum loan amount for which a school district may qualify is ~~fifteen million~~ ten  
17 million dollars. However, if a school district's unobligated general fund balance on  
18 the preceding June thirtieth exceeds the limitation under section 15.1-27-35.3,  
19 the loan amount under this section may not exceed eighty percent of the project's  
20 cost up to a maximum loan amount of ~~twelve million~~ eight million dollars;
  - 21 b. If the school construction project totals seventy-five million dollars or more, the  
22 maximum loan amount for which a school district may qualify is ~~thirty~~  
23 ~~million~~ twenty million dollars. However, if a school district's unobligated general  
24 fund balance on the preceding June thirtieth exceeds the limitation under section  
25 15.1-27-35.3, the loan amount under this section may not exceed eighty percent  
26 of the project's cost up to a maximum loan amount of ~~twenty-four million~~ sixteen  
27 million dollars;
  - 28 c. If the school construction project is on an air force base, the maximum loan  
29 amount for which the school district may qualify is the lesser of twenty percent of  
30 the project cost or twenty million dollars;



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- d. The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
- e. The interest rate of the loan may not exceed two percent per year.
- f. A district with a school construction loan secured on the open bond market may apply to refinance the loan when callable with the school construction assistance revolving loan fund under this subsection.

**8-7.** The Bank may adopt policies and establish guidelines to administer this loan program in accordance with this section. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administration costs which may not exceed one-half of one percent of the amount of the interest payment. The Bank shall deposit principal and interest payments made by school districts for loans under this section in the school construction assistance revolving loan fund. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

**SECTION 5. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, and specifications, and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 6. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-10. Bonds from contractors for public improvements.**

1. Unless otherwise provided under this chapter, a governing body authorized to enter a contract for the construction of a public improvement in excess of two hundred fifty



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- 1 thousand dollars shall take from the contractor a bond before permitting any work to  
2 be done on the contract. The bond must be for an amount equal at least to the price  
3 stated in the contract. The bond must be conditioned to be void if the contractor and all  
4 subcontractors fully perform all terms, conditions, and provisions of the contract and  
5 pay all bills or claims on account of labor performed and any supplies, and materials  
6 furnished and used in the performance of the contract, including all demands of  
7 subcontractors. The requirement that bills and claims be paid must include the  
8 requirement that interest of the amount authorized under section 13-01-14 be paid on  
9 bills and claims not paid within ninety days. The bond is security for all bills, claims,  
10 and demands until fully paid, with preference to labor and material suppliers as to  
11 payment. The bond must run to the governing body, but any person having a lawful  
12 claim against the contractor or any subcontractor may sue on the bond.
- 13 2. A governing body may not require any person required to provide a surety bond to  
14 obtain the surety bond from a specified insurance or surety company or insurance  
15 producer or to submit financial data to the company or producer.

16 **SECTION 7. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **57-15-14.2. School district levies.**

- 19 1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
20 ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
21 mills on the taxable valuation of the district, for any purpose related to the provision of  
22 educational services. The proceeds of this levy must be deposited into the school  
23 district's general fund and used in accordance with this subsection. The proceeds may  
24 not be transferred into any other fund.
- 25 2. The board of a school district may levy no more than twelve mills on the taxable  
26 valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
27 this levy must be deposited into a special fund known as the miscellaneous fund and  
28 used in accordance with this subsection. The proceeds may not be transferred into  
29 any other fund.



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- 1       3.   The board of a school district may levy no more than three mills on the taxable
- 2       valuation of the district for deposit into a special reserve fund, in accordance with
- 3       chapter 57-19.
- 4       4.   The board of a school district may levy no more than the number of mills necessary,
- 5       on the taxable valuation of the district, for the payment of tuition, in accordance with
- 6       section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
- 7       known as the tuition fund and used in accordance with this subsection. The proceeds
- 8       may not be transferred into any other fund.
- 9       5.   The board of a school district may levy no more than five mills on the taxable valuation
- 10      of the district, pursuant to section 57-15-15.1, for purposes of developing a school
- 11      safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
- 12      deposited into a special fund known as the school safety plan fund and used in
- 13      accordance with this subsection.
- 14      6.   Nothing in this section limits the board of a school district from levying:
- 15          a.   Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- 16          b.   Mills necessary to pay principal and interest on the bonded debt of the district,
- 17              including the mills necessary to pay principal and interest on any bonded debt
- 18              incurred under section 57-15-17.1 before July 1, 2013.

19      ~~SECTION 7. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL~~  
20      ~~CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND. The office of management and~~  
21      ~~budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the~~  
22      ~~school construction assistance revolving loan fund during the biennium beginning July 1, 2025,~~  
23      ~~and ending June 30, 2027.~~

24      **SECTION 8. EFFECTIVE DATE.** Section 47 of this Act is effective for taxable years  
25      beginning after December 31, 2024. Sections 1, 2, 5, and 6 of this Act are effective July 1,  
26      2025.

27      **SECTION 9. EMERGENCY.** This Act is declared to be an emergency measure.

# HB 1369 050225 1007 AM Roll Call Vote

## Amendment

**HB 1369**

**Date Submitted:** May 2, 2025, 10:07 a.m.

**Action:** Passed

**Amendment LC #:** 25.0716.04007

**Motioned By:** Vigesaa, Don

**Seconded By:** Sorvaag, Ronald

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

**Description:** N/A

Rep. Nathe, Mike	Yea
Rep. Richter, David	Yea
Rep. Vigesaa, Don	Yea
Sen. Schaible, Donald	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Beard, Todd	Yea

# HB 1369 050225 1008 AM Roll Call Vote

## Final Recommendation

**HB 1369**

**Date Submitted:** May 2, 2025, 10:08 a.m.

**Recommendation:** In Place Of

**Amendment LC #:** 25.0716.04007

**Engrossed LC #:** 25.0716.07000

**Motioned By:** Vigesaa, Don

**Seconded By:** Sorvaag, Ronald

**House Carrier:** Nathe, Mike

**Senate Carrier:** Schaible, Donald

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

**Description:** N/A

Rep. Nathe, Mike	Yea
Rep. Richter, David	Yea
Rep. Vigesaa, Don	Yea
Sen. Schaible, Donald	Yea
Sen. Sorvaag, Ronald	Yea
Sen. Beard, Todd	Yea

**REPORT OF CONFERENCE COMMITTEE  
REENGROSSED HB 1369**

Your conference committee (Sens. Schaible, Sorvaag, Beard and Reps. Nathe, Richter, Vigesaa) recommends that in place of amendment [25.0716.04003](#) adopted by the Senate, Reengrossed HB 1369 is amended by amendment [25.0716.04007](#).

Reengrossed HB 1369 was placed on the Seventh order of business on the calendar.



25.0716.04007  
Title.

Prepared by the Legislative Council  
staff for Conference Committee  
May 1, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

### REENGROSSED HOUSE BILL NO. 1369

Introduced by

Representatives Heinert, Richter

Senators Lemm, Schaible

*In place of amendment (25.0716.04003) adopted by the Senate, Reengrossed House Bill No. 1369 is amended by amendment (25.0716.04007) as follows:*

A BILL for an Act to amend and reenact sections 15.1-27-04.1, ~~15.1-27-35~~ 15.1-32-19,  
15.1-36-02, 48-01.2-02.1, 48-01.2-10, and 57-15-14.2 of the North Dakota Century Code, and  
section 15.1-36-08 as amended by section 1 of Senate Bill No. 2149, as approved by the  
sixty-ninth legislative assembly, relating to the determination of state aid, ~~the calculation of~~  
~~average daily membership~~ boarding care costs, the coal development trust fund, the school  
construction assistance revolving loan fund, public improvement construction, bonds from  
contractors for public improvements, and school district levies; ~~to provide for a transfer; and to~~  
provide an effective date; and to declare an emergency.

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

**SECTION 1. 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) (Retroactive application -~~ See note)

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;~~

- 1           e. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
2           ~~district during the 2017-18 school year for the following revenue types:~~
- 3           (1) ~~Revenue reported under code 2000 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           (2) ~~Mineral revenue received by the school district through direct allocation from~~  
7           ~~the state treasurer and not reported under code 2000 of the North Dakota~~  
8           ~~school district financial accounting and reporting manual, as developed by~~  
9           ~~the superintendent of public instruction in accordance with section~~  
10          ~~15.1-02-08;~~
- 11          (3) ~~Tuition reported under code 1300 of the North Dakota school district~~  
12          ~~financial accounting and reporting manual, as developed by the~~  
13          ~~superintendent of public instruction in accordance with section 15.1-02-08,~~  
14          ~~with the exception of revenue received specifically for the operation of an~~  
15          ~~educational program provided at a residential treatment facility, tuition~~  
16          ~~received for the provision of an adult farm management program, and~~  
17          ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~  
18          ~~under an agreement to educate students from a school district on an~~  
19          ~~air force base with funding received through federal impact aid, and an~~  
20          ~~additional seventeen percent of tuition received under an agreement to~~  
21          ~~educate students from a school district on an air force base with funding~~  
22          ~~received through federal impact aid each school year thereafter, until the~~  
23          ~~2024-25 school year when sixty-eight percent of tuition received under an~~  
24          ~~agreement to educate students from a school district on an air force base~~  
25          ~~with funding received through federal impact aid must be excluded from the~~  
26          ~~tuition calculation under this paragraph;~~
- 27          (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission~~  
28          ~~of electric power;~~
- 29          (5) ~~Revenue from payments in lieu of taxes on electricity generated from~~  
30          ~~sources other than coal; and~~



- 1                   (6) Revenue from the leasing of land acquired by the United States for which  
2                   compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 3           d. An amount equal to the total revenue received by the school district during the  
4           2017-18 school year for the following revenue types:
- 5                   (1) Mobile home tax revenue;
- 6                   (2) Telecommunications tax revenue; and
- 7                   (3) Revenue from payments in lieu of taxes and state reimbursement of the  
8                   homestead credit and disabled veterans credit; and
- 9           e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
10           baseline funding for any school district that becomes an elementary district  
11           pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
12           be proportional to the number of weighted student units in the grades that are  
13           offered through another school district relative to the total number of weighted  
14           student units the school district offered in the year before the school district  
15           became an elementary district. The reduced baseline funding applies to the  
16           calculation of state aid for the first school year in which the school district  
17           becomes an elementary district and for each year thereafter. For districts that  
18           become an elementary district prior to the 2020-21 school year, the  
19           superintendent shall use the reduced baseline funding to calculate state aid for  
20           the 2020-21 school year and for each year thereafter.
- 21           2. a. The superintendent shall divide the district's baseline funding determined in  
22           subsection 1 by the district's 2017-18 weighted student units to determine the  
23           district's baseline funding per weighted student unit.
- 24                   b. For any school district that becomes an elementary district pursuant to section  
25           15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
26           district's baseline funding per weighted student unit used to calculate state aid.  
27           The superintendent shall divide the district's baseline funding determined in  
28           subsection 1 by the district's weighted student units after the school district  
29           becomes an elementary district to determine the district's adjusted baseline  
30           funding per weighted student unit. The superintendent shall use the district's  
31           adjusted baseline funding per weighted student unit in the calculation of state aid

1                   for the first school year in which the school district becomes an elementary  
2                   district and for each year thereafter.

3           e.   ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~  
4                   ~~superintendent shall reduce the district's baseline funding per weighted student~~  
5                   ~~unit. Each year the superintendent shall calculate the amount by which the~~  
6                   ~~district's baseline funding per weighted student unit exceeds the payment per~~  
7                   ~~weighted student unit provided in subsection 3. For the 2023-24 school year the~~  
8                   ~~superintendent shall reduce the district's baseline funding per weighted student~~  
9                   ~~unit by forty percent of the amount by which the district's baseline funding per~~  
10                  ~~weighted student unit exceeds the payment per weighted student unit for the~~  
11                  ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
12                  ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
13                  ~~per weighted student unit, after the reduction, may not be less than the payment~~  
14                  ~~per weighted student unit provided in subsection 3.~~

15       3.   a.   ~~For the 2023-24 school year, the superintendent shall calculate state aid as the~~  
16                  ~~greater of:~~

17                  (1)   ~~The district's weighted student units multiplied by ten thousand six hundred~~  
18                         ~~forty six dollars;~~

19                  (2)   ~~One hundred two percent of the district's baseline funding per weighted~~  
20                         ~~student unit, as established in subsection 2, multiplied by the district's~~  
21                         ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
22                         ~~weighted student units, plus any weighted student units in excess of the~~  
23                         ~~2017-18 baseline weighted student units multiplied by ten thousand~~  
24                         ~~six hundred forty six dollars; or~~

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

28       b.   ~~For the 2024-25 school year and each school year thereafter, the superintendent~~  
29                  ~~shall calculate state aid as the greater of:~~

30                  (1)   ~~The district's weighted student units multiplied by eleven thousand~~  
31                         ~~seventy two dollars;~~



- 1                   (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
2                   ~~student unit, as established in subsection 2, multiplied by the district's~~  
3                   ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
4                   ~~weighted student units, plus any weighted student units in excess of the~~  
5                   ~~2017-18 baseline weighted student units multiplied by eleven thousand~~  
6                   ~~seventy two dollars; or~~
- 7                   (3) ~~The district's baseline funding as established in subsection 1 less the~~  
8                   ~~amount in paragraph 1, with the difference reduced by fifty five percent for~~  
9                   ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~  
10                  ~~percent each school year thereafter until the difference is reduced to zero,~~  
11                  ~~and then the difference added to the amount determined in paragraph 1.~~
- 12                  4. ~~After determining the product in accordance with subsection 3, the superintendent of~~  
13                  ~~public instruction shall:~~
- 14                  a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
15                  ~~school district, except the amount in dollars subtracted for purposes of this~~  
16                  ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
17                  ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
18                  ~~section 15.1-27-04.3; and~~
- 19                  b. ~~Subtract an amount equal to seventy five percent of all revenue types listed in~~  
20                  ~~subdivisions c and d of subsection 1. Before determining the deduction for~~  
21                  ~~seventy five percent of all revenue types, the superintendent of public instruction~~  
22                  ~~shall adjust revenues as follows:~~
- 23                  (1) ~~Tuition revenue shall be adjusted as follows:~~
- 24                         (a) ~~In addition to deducting tuition revenue received specifically for the~~  
25                         ~~operation of an educational program provided at a residential~~  
26                         ~~treatment facility, tuition revenue received for the provision of an adult~~  
27                         ~~farm management program, tuition received for the education of~~  
28                         ~~high cost and special education students, and tuition received under~~  
29                         ~~an agreement to educate students from a school district on an~~  
30                         ~~air force base with funding received through federal impact aid as~~  
31                         ~~directed each school year in paragraph 3 of subdivision c of~~

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

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

11                    (2) After adjusting tuition revenue as provided in paragraph 1, the  
12                    superintendent shall reduce all remaining revenues from all revenue types  
13                    by the percentage of mills levied in 2022 by the school district for sinking  
14                    and interest relative to the total mills levied in 2022 by the school district for  
15                    all purposes.

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

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

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

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

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

30                    c. The number of mills levied in the previous calendar year by each school district  
31                    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 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 2025-26 school year, eighty-five 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, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on

1 an air force base with funding received through federal impact aid must be  
2 excluded from the tuition calculation under this paragraph;

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

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

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

9 d. An amount equal to the total revenue received by the school district during the  
10 2017-18 school year for the following revenue types:

11 (1) Mobile home tax revenue;

12 (2) Telecommunications tax revenue; and

13 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
14 homestead credit and disabled veterans credit; and

15 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
16 baseline funding for any school district that becomes an elementary district  
17 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
18 be proportional to the number of weighted student units in the grades that are  
19 offered through another school district relative to the total number of weighted  
20 student units the school district offered in the year before the school district  
21 became an elementary district. The reduced baseline funding applies to the  
22 calculation of state aid for the first school year in which the school district  
23 becomes an elementary district and for each year thereafter. For districts that  
24 become an elementary district prior to the 2020-21 school year, the  
25 superintendent shall use the reduced baseline funding to calculate state aid for  
26 the 2020-21 school year and for each year thereafter.

27 2. a. The superintendent shall divide the district's baseline funding determined in  
28 subsection 1 by the district's 2017-18 weighted student units to determine the  
29 district's baseline funding per weighted student unit.

30 b. For any school district that becomes an elementary district pursuant to section  
31 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the



- 1 district's baseline funding per weighted student unit used to calculate state aid.
- 2 The superintendent shall divide the district's baseline funding determined in
- 3 subsection 1 by the district's weighted student units after the school district
- 4 becomes an elementary district to determine the district's adjusted baseline
- 5 funding per weighted student unit. The superintendent shall use the district's
- 6 adjusted baseline funding per weighted student unit in the calculation of state aid
- 7 for the first school year in which the school district becomes an elementary
- 8 district and for each year thereafter.
- 9 c. Beginning with the 2021-22 school year and for each school year thereafter, the
- 10 superintendent shall reduce the district's baseline funding per weighted student
- 11 unit. Each year the superintendent shall calculate the amount by which the
- 12 district's baseline funding per weighted student unit exceeds the payment per
- 13 weighted student unit provided in subsection 3. For the 2023-24 school year the
- 14 superintendent shall reduce the district's baseline funding per weighted student
- 15 unit by forty percent of the amount by which the district's baseline funding per
- 16 weighted student unit exceeds the payment per weighted student unit for the
- 17 2023-24 school year. For each year thereafter, the reduction percentage is
- 18 increased by an additional fifteen percent. However, the district's baseline funding
- 19 per weighted student unit, after the reduction, may not be less than the payment
- 20 per weighted student unit provided in subsection 3.
- 21 3. a. For the ~~2023-24~~2025-26 school year, the superintendent shall calculate state aid
- 22 as the greater of:
- 23 (1) The district's weighted student units multiplied by ~~ten thousand six hundred~~
- 24 ~~forty-six~~eleven thousand three hundred forty-nine dollars;
- 25 (2) One hundred two percent of the district's baseline funding per weighted
- 26 student unit, as established in subsection 2, multiplied by the district's
- 27 weighted student units, not to exceed the district's 2017-18 baseline
- 28 weighted student units, plus any weighted student units in excess of the
- 29 2017-18 baseline weighted student units multiplied by ~~ten thousand~~
- 30 ~~six hundred forty-six~~eleven thousand three hundred forty-nine dollars; or

- 1                   (3) The district's baseline funding as established in subsection 1 less the  
2                   amount in paragraph 1, with the difference reduced by ~~forty~~seventy percent  
3                   and then the difference added to the amount determined in paragraph 1.
- 4           b. For the ~~2024-25~~2026-27 school year and each school year thereafter, the  
5           superintendent shall calculate state aid as the greater of:
- 6                   (1) The district's weighted student units multiplied by eleven thousand  
7                   ~~seventy-two~~six hundred thirty-three dollars;
- 8                   (2) One hundred two percent of the district's baseline funding per weighted  
9                   student unit, as established in subsection 2, multiplied by the district's  
10                  weighted student units, not to exceed the district's 2017-18 baseline  
11                  weighted student units, plus any weighted student units in excess of the  
12                  2017-18 baseline weighted student units multiplied by eleven thousand  
13                  ~~seventy-two~~six hundred thirty-three dollars; or
- 14                  (3) The district's baseline funding as established in subsection 1 less the  
15                  amount in paragraph 1, with the difference reduced by ~~fifty-five~~eighty-five  
16                  percent for the ~~2024-25~~2026-27 school year and the reduction percentage  
17                  increasing by fifteen percent each school year thereafter until the difference  
18                  is reduced to zero, and then the difference added to the amount determined  
19                  in paragraph 1.
- 20       4. After determining the product in accordance with subsection 3, the superintendent of  
21       public instruction shall:
- 22           a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23           school district; and
- 24           b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
25           ~~subdivisions c and d~~subdivision c and paragraphs 1 and 2 of subdivision d of  
26           subsection 1 and revenue from payments in lieu of taxes. Before determining the  
27           deduction for seventy-five percent of all revenue types, the superintendent of  
28           public instruction shall adjust revenues as follows:
- 29                   (1) Tuition revenue shall be adjusted as follows:
- 30                           (a) In addition to deducting tuition revenue received specifically for the  
31                           operation of an educational program provided at a residential



- 1 treatment facility, tuition revenue received for the provision of an adult  
2 farm management program, tuition received for the education of  
3 high-cost and special education students, and tuition received under  
4 an agreement to educate students from a school district on an  
5 air force base with funding received through federal impact aid as  
6 directed each school year in paragraph 3 of subdivision c of  
7 subsection 1, the superintendent of public instruction also shall reduce  
8 the total tuition reported by the school district by the amount of tuition  
9 revenue received for the education of students not residing in the  
10 state and for which the state has not entered a cross-border education  
11 contract; and
- 12 (b) The superintendent of public instruction also shall reduce the total  
13 tuition reported by admitting school districts meeting the requirements  
14 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
15 of tuition revenue received for the education of students residing in an  
16 adjacent school district.
- 17 (2) After adjusting tuition revenue as provided in paragraph 1, the  
18 superintendent shall reduce all remaining revenues from all revenue types  
19 by the percentage of mills levied in ~~2022~~2024 by the school district for  
20 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
21 school district for all purposes.
- 22 5. The amount remaining after the computation required under subsection 4 is the  
23 amount of state aid to which a school district is entitled, subject to any other statutory  
24 requirements or limitations.
- 25 6. On or before June thirtieth of each year, the school board shall certify to the  
26 superintendent of public instruction the final average daily membership for the current  
27 school year.
- 28 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
29 with the school districts, shall report the following to the superintendent of public  
30 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.

~~SECTION 2. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:~~

~~15.1-27-35. Average daily membership - Calculation.~~

~~1. Average daily membership is calculated at the conclusion of the school year by adding the total number of hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:~~

~~a. Nine hundred sixty-two and one-half hours for elementary school students; or~~

~~b. One thousand fifty hours for middle and high school students.~~

~~2. For purposes of calculating average daily membership:~~

~~a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~

~~d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.~~



~~3. For purposes of determining state aid pursuant to section 15.1-27-04.1, average daily membership is the greater of:~~

~~a. The amount calculated in subsections 1 and 2 of this section; or~~

~~b. The average of the amounts calculated in subsections 1 and 2 of this section for the prior three years.~~

**SECTION 2. AMENDMENT.** Section 15.1-32-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-19. Boarding care costs - Reimbursement of school district.**

The superintendent of public instruction shall reimburse a student's school district of residence an amount equal to eighty percent of the room and board costs paid by the district for a student with disabilities who is placed in a facility that is located either within or outside of the student's school district of residence in order to receive special education services. The student's school district of residence is liable for any room and board costs in excess of those reimbursed as provided in this section. The placement of a student with disabilities in a public or private facility will be made by a school district and approved by the superintendent of public instruction. The ~~placementsuperintendent~~ of a student with disabilities in congregate care will be made in a facility designated by public instruction may consult with the commissioner of the department of health and human services on congregate care facilities.

**SECTION 3. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.**

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
  - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and



- 1           b.   Submit to the superintendent of public instruction an application containing all
- 2               information deemed necessary by the superintendent, including potential
- 3               alternative sources or methods of financing the construction project.
- 4       3.   The superintendent of public instruction shall consider each loan application in the
- 5           order the application received approval under section 15.1-36-01.
- 6       4.   If the superintendent of public instruction approves the loan, the board of university
- 7           and school lands shall issue a loan from the coal development trust fund.
- 8       a.   For a loan made under this ~~section~~ subsection:
- 9           a. ~~(1)~~ (1)   Except for loans provided for a school construction project on an air
- 10               force base, the minimum loan amount is two hundred fifty thousand dollars
- 11               and the maximum loan amount for which a school district may qualify is five
- 12               million dollars;
- 13           b. ~~(2)~~ (2)   The term of the loan is twenty years, unless the board of the school district
- 14               requests a shorter term in the written loan application; and
- 15           c. ~~(3)~~ (3)   The interest rate of the loan may not exceed two percent per year.
- 16       b.   During the 2025-27 biennium, a loan for a school construction project on an air
- 17           force base is an allowable condition under subsection 2. For a loan made for a
- 18           school construction project on an air force base under this subsection:
- 19           (1)   The maximum loan amount for which the school district may qualify is the
- 20               lesser of twenty percent of the project cost or twenty million dollars;
- 21           (2)   The term of the loan is twenty years, unless the board of the school district
- 22               requests a shorter term in the written loan application;
- 23           (3)   The interest rate of the loan may not exceed two percent per year; and
- 24           (4)   The school district must obtain all necessary federal authorizations and
- 25               funding commitments for the project.
- 26       5.   a.   If a school district seeking a loan under this section received an allocation of the
- 27               oil and gas gross production tax during the previous fiscal year in accordance
- 28               with chapter 57-51, the board of the district shall provide to the board of
- 29               university and school lands, and to the state treasurer, its evidence of
- 30               indebtedness indicating the loan originated under this section.



- 1           b. If the evidence of indebtedness is payable solely from the school district's
- 2           allocation of the oil and gas gross production tax in accordance with section
- 3           57-51-15, the loan does not constitute a general obligation of the school district
- 4           and may not be considered a debt of the district.
- 5           c. If a loan made to a school district is payable solely from the district's allocation of
- 6           the oil and gas gross production tax in accordance with section 57-51-15, the
- 7           terms of the loan must require the state treasurer withhold the dollar amount or
- 8           percentage specified in the loan agreement, from each of the district's oil and gas
- 9           gross production tax allocations, in order to repay the principal and interest of the
- 10          evidence of indebtedness. The state treasurer shall deposit the amount withheld
- 11          into the fund from which the loan originated.
- 12          d. Any evidence of indebtedness executed by the board of a school district under
- 13          this subsection is a negotiable instrument and not subject to taxation by the state
- 14          or any political subdivision of the state.
- 15          6. For purposes of this section, a "construction project" means the purchase, lease,
- 16          erection, or improvement of any structure or facility by a school board, provided the
- 17          acquisition or activity is within a school board's authority.

18       **SECTION 4. AMENDMENT.** Section 15.1-36-08 of the North Dakota Century Code as  
19 amended by section 1 of Senate Bill No. 2149, as approved by the sixty-ninth legislative  
20 assembly, is amended and reenacted as follows:

21       **15.1-36-08. School construction assistance revolving loan fund - Bank of North**  
22 **Dakota - School construction projects - Continuing appropriation.**

- 23          1. The school construction assistance revolving loan fund is a special revolving loan fund
- 24          administered by the Bank. The fund consists of all moneys appropriated or transferred
- 25          to the fund by the legislative assembly, all interest or other earnings of the fund, and all
- 26          repayments of loans made from the fund.
- 27          2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of
- 28          principal and interest are appropriated to the Bank on a continuing basis for the
- 29          purpose of providing low-interest school construction loans and for paying
- 30          administrative costs, in accordance with this section.



- 1       3. For a school construction project not located on an air force base, to be eligible for a  
2       loan under this section, the board of a school district shall:
  - 3       a. Propose a new construction or remodeling project with a cost of at least  
4       one million dollars and an expected utilization of at least thirty years;
  - 5       b. Obtain the approval of the superintendent of public instruction for the project  
6       under section 15.1-36-01;
  - 7       c. (1) Publish in the official newspaper of the district the information regarding the  
8       proposed estimated additional millage and the dollar increase per  
9       one thousand dollars of taxable valuation in accordance with section  
10       21-03-13 along with the notice of the election in accordance with section  
11       21-03-12 or along with the initial resolution in accordance with subsection 7  
12       of section 21-03-07; and  
13       (2) Post the information on the school district's website before the date of the  
14       election or during the protest period in accordance with chapter 21-03;
  - 15       d. Receive authorization for a bond issue in accordance with chapter 21-03; and  
16       e. Submit a completed application to the Bank.
- 17       4. For a school construction project located on an air force base, to be eligible for a loan  
18       under this section, the board of the school district shall:
  - 19       a. Propose a new construction or remodeling project on an air force base which has  
20       a cost of at least one million dollars and an expected utilization of at least thirty  
21       years;
  - 22       b. Obtain the approval of the superintendent of public instruction for the project  
23       under section 15.1-36-01;
  - 24       c. Obtain all necessary federal authorizations and funding commitments for the  
25       project; and  
26       d. Submit a completed application to the Bank.
- 27       5. ~~The superintendent of public instruction shall designate, until June 30, 2027, or until a~~  
28       ~~loan is made as identified in this section, twenty million dollars of funds available for~~  
29       ~~loans in the school construction assistance revolving loan fund for a loan to provide~~  
30       ~~matching funds for the construction of facilities on an air force base.~~



- 1 ~~6.~~ The superintendent of public instruction shall review loan applications based on a  
2 prioritization system that includes a review of all applications filed during the  
3 twelve-month period preceding April first and gives consideration to:
- 4 a. Student occupancy and academic needs in the district;
  - 5 b. The age of existing structures to be replaced or remodeled;
  - 6 c. Building design proposals that are based on safety and vulnerability  
7 assessments;
  - 8 d. Community support;
  - 9 e. Cost; and
  - 10 f. Any other criteria established by the superintendent of public instruction, after  
11 consultation with an interim committee appointed by the legislative management.
- 12 7.6. If the superintendent of public instruction approves the loan, the Bank shall issue a  
13 loan from the school construction assistance revolving loan fund. For a loan made  
14 under this section:
- 15 a. If the school construction project totals less than seventy-five million dollars, the  
16 maximum loan amount for which a school district may qualify is ~~fifteen million~~ten  
17 million dollars. However, if a school district's unobligated general fund balance on  
18 the preceding June thirtieth exceeds the limitation under section 15.1-27-35.3,  
19 the loan amount under this section may not exceed eighty percent of the project's  
20 cost up to a maximum loan amount of ~~twelve million~~eight million dollars;
  - 21 b. If the school construction project totals seventy-five million dollars or more, the  
22 maximum loan amount for which a school district may qualify is ~~thirty~~  
23 ~~million~~twenty million dollars. However, if a school district's unobligated general  
24 fund balance on the preceding June thirtieth exceeds the limitation under section  
25 15.1-27-35.3, the loan amount under this section may not exceed eighty percent  
26 of the project's cost up to a maximum loan amount of ~~twenty-four million~~sixteen  
27 million dollars;
  - 28 c. If the school construction project is on an air force base, the maximum loan  
29 amount for which the school district may qualify is the lesser of twenty percent of  
30 the project cost or twenty million dollars;



- d. The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
- e. The interest rate of the loan may not exceed two percent per year.
- f. A district with a school construction loan secured on the open bond market may apply to refinance the loan when callable with the school construction assistance revolving loan fund under this subsection.

~~8.7.~~ The Bank may adopt policies and establish guidelines to administer this loan program in accordance with this section. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administration costs which may not exceed one-half of one percent of the amount of the interest payment. The Bank shall deposit principal and interest payments made by school districts for loans under this section in the school construction assistance revolving loan fund. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

**SECTION 5. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-02.1. Public improvement construction threshold.**

1. The threshold for bidding construction of a public improvement is two hundred fifty thousand dollars. The threshold for procuring plans, drawings, ~~and specifications,~~ and bonding from an architect or engineer for construction of a public improvement is two hundred fifty thousand dollars.
2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect.

**SECTION 6. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.2-10. Bonds from contractors for public improvements.**

1. Unless otherwise provided under this chapter, a governing body authorized to enter a contract for the construction of a public improvement in excess of two hundred fifty



1 thousand dollars shall take from the contractor a bond before permitting any work to  
2 be done on the contract. The bond must be for an amount equal at least to the price  
3 stated in the contract. The bond must be conditioned to be void if the contractor and all  
4 subcontractors fully perform all terms, conditions, and provisions of the contract and  
5 pay all bills or claims on account of labor performed and any supplies, and materials  
6 furnished and used in the performance of the contract, including all demands of  
7 subcontractors. The requirement that bills and claims be paid must include the  
8 requirement that interest of the amount authorized under section 13-01-14 be paid on  
9 bills and claims not paid within ninety days. The bond is security for all bills, claims,  
10 and demands until fully paid, with preference to labor and material suppliers as to  
11 payment. The bond must run to the governing body, but any person having a lawful  
12 claim against the contractor or any subcontractor may sue on the bond.

- 13 2. A governing body may not require any person required to provide a surety bond to  
14 obtain the surety bond from a specified insurance or surety company or insurance  
15 producer or to submit financial data to the company or producer.

16 **SECTION 7. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **57-15-14.2. School district levies.**

- 19 1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that~~  
20 ~~the school district levied for the prior year, plus twelve percent,~~ up to a levy of seventy  
21 mills on the taxable valuation of the district, for any purpose related to the provision of  
22 educational services. The proceeds of this levy must be deposited into the school  
23 district's general fund and used in accordance with this subsection. The proceeds may  
24 not be transferred into any other fund.
- 25 2. The board of a school district may levy no more than twelve mills on the taxable  
26 valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
27 this levy must be deposited into a special fund known as the miscellaneous fund and  
28 used in accordance with this subsection. The proceeds may not be transferred into  
29 any other fund.



- 1       3.   The board of a school district may levy no more than three mills on the taxable
- 2           valuation of the district for deposit into a special reserve fund, in accordance with
- 3           chapter 57-19.
- 4       4.   The board of a school district may levy no more than the number of mills necessary,
- 5           on the taxable valuation of the district, for the payment of tuition, in accordance with
- 6           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
- 7           known as the tuition fund and used in accordance with this subsection. The proceeds
- 8           may not be transferred into any other fund.
- 9       5.   The board of a school district may levy no more than five mills on the taxable valuation
- 10          of the district, pursuant to section 57-15-15.1, for purposes of developing a school
- 11          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
- 12          deposited into a special fund known as the school safety plan fund and used in
- 13          accordance with this subsection.
- 14       6.   Nothing in this section limits the board of a school district from levying:
- 15          a.   Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- 16          b.   Mills necessary to pay principal and interest on the bonded debt of the district,
- 17              including the mills necessary to pay principal and interest on any bonded debt
- 18              incurred under section 57-15-17.1 before July 1, 2013.

19   ~~—SECTION 7. TRANSFER – FOUNDATION AID STABILIZATION FUND TO SCHOOL~~  
20   ~~CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND. The office of management and~~  
21   ~~budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the~~  
22   ~~school construction assistance revolving loan fund during the biennium beginning July 1, 2025,~~  
23   ~~and ending June 30, 2027.~~

24   **SECTION 8. EFFECTIVE DATE.** Section 47 of this Act is effective for taxable years  
25   beginning after December 31, 2024. Sections 1, 2, 5, and 6 of this Act are effective July 1,  
26   2025.

27   **SECTION 9. EMERGENCY.** This Act is declared to be an emergency measure.