

**FOURTH ENGROSSMENT
with Conference Committee Amendments**

REENGROSSED SENATE BILL NO. 2162

Introduced by

Education Committee

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

1 A BILL for an Act to provide for the reimbursement of certain reorganized districts; to create
2 and enact a new section to chapter 15-29 of the North Dakota Century Code, or in the
3 alternative to create and enact a new section to chapter 15.1-09 of the North Dakota Century
4 Code, relating to the joint employment of school district superintendents; to create and enact
5 two new sections to chapter 15-40.1 of the North Dakota Century Code, relating to
6 nonoperating schools and proportionate payments for summer school programs; to amend and
7 reenact sections 15-35-01.1, 15-40.1-06, 15-40.1-07, 15-40.1-07.3, 15-40.1-08, subsection 1 of
8 section 57-15-14.2, and section 57-15-17.1 of the North Dakota Century Code, relating to
9 school construction approval, educational support per student, and payment factors; to provide
10 an appropriation; to provide for a legislative council study; and to declare an emergency.

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

12 **SECTION 1.** If House Bill No. 1034 does not become effective, a new section to
13 chapter 15-29 of the North Dakota Century Code is created and enacted as follows:

14 **School district superintendent - Joint employment - Accreditation.** The
15 superintendent of public instruction may not impose through the accreditation process any
16 penalties or sanctions on a school district for employing a superintendent jointly with one or
17 more other districts. The superintendent may not require, through the accreditation process,
18 that an employee of a school district having fewer than one hundred students in high school
19 spend more than thirty-three percent of the employee's time performing the duties of a school
20 principal if the school district employs a superintendent jointly with one or more other districts.

21 **SECTION 2. AMENDMENT.** Section 15-35-01.1 of the 1997 Supplement to the North
22 Dakota Century Code is amended and reenacted as follows:

23 **15-35-01.1. Approval required for certain school district construction projects.**

- 1 1. Notwithstanding the powers and duties of school boards ~~of public school districts~~
2 ~~otherwise~~ provided by law, all construction, purchase, repair, improvement,
3 renovation, or modernization of any school building or facility within a school
4 district estimated by the school boards to cost in excess of twenty-five thousand
5 dollars may not be commenced unless approved by the superintendent of public
6 instruction.
- 7 2. ~~No such~~ The superintendent of public instruction may not approve the
8 construction, purchase, repair, improvement, renovation, or modernization of any
9 school building or facility ~~may be approved~~ unless the school district proposing the
10 project ~~demonstrates~~:
11 a. Demonstrates the need for the project, the educational utility of the project,
12 ~~fiscal need, and the ability to sustain a stable or increasing student enrollment~~
13 for a period of time at least equal to the anticipated usable life of the project,
14 or demonstrates potential utilization of the project by a future reorganized
15 school district; and
16 b. Demonstrates the capacity to pay for the project under rules adopted by the
17 superintendent of public instruction pursuant to chapter 28-32 after receiving
18 input from the state board of public school education.
- 19 3. In the event of disagreement between the superintendent of public instruction and
20 the school board applying for approval of a construction project under this section,
21 the school board may appeal the application to the state board of public school
22 education and the decision of the state board approving or disapproving the
23 application is final.
- 24 2- 4. For purposes of this section, "facility" includes a parking lot, athletic complex, or
25 any other improvement to real property owned by the school district.
- 26 3- 5. This section does not apply to any construction, purchase, repair, improvement,
27 renovation, or modernization required as part of a plan of correction approved by
28 the state fire marshal under section 15-35-01.2, unless the cost of the
29 improvements exceeds seventy-five thousand dollars.

30 **SECTION 3. AMENDMENT.** Section 15-40.1-06 of the 1997 Supplement to the North
31 Dakota Century Code is amended and reenacted as follows:

1 **15-40.1-06. Declaration of legislative intent - Educational support per student -**
2 **School district equalization factor - Limitations.**

- 3 1. It is the intent of the legislative assembly, ~~not considering any separate and~~
4 ~~supplemental payments as may be provided by law,~~ to support elementary and
5 secondary education in this state from state funds ~~based on the educational cost~~
6 ~~per student.~~ For purposes of this section, state funds include all appropriations for
7 foundation aid, tuition apportionment, supplemental per student payments, special
8 education, vocational education, transportation aid, school district technology, the
9 governor's school, teacher centers, and the leadership in educational
10 administration development consortium. For purposes of distributing state funds,
11 the superintendent of public instruction shall determine the educational cost per
12 student. In determining the educational cost per student, the ~~following criteria~~
13 ~~superintendent~~ may not ~~be used~~ use:
- 14 a. Expenditures for capital outlay for buildings and sites, or debt service.
15 b. Expenditures from school activities and school lunch programs.
16 c. Expenditures for the cost of transportation, including the cost of schoolbuses.
- 17 2. a. The educational support per student during the first year of the ~~1997-99~~
18 ~~1999-2001~~ biennium must be ~~one thousand nine hundred fifty four~~ two
19 thousand one hundred forty-five dollars and for the second year of the
20 ~~1997-99~~ ~~1999-2001~~ biennium the educational support per student must be
21 ~~two thousand thirty two~~ two thousand two hundred thirty dollars and is the
22 basis for calculating grants-in-aid on a per student basis as provided in
23 sections 15-40.1-07 and 15-40.1-08.
- 24 b. School districts operating high schools not meeting the minimum curriculum
25 as provided in section 15-41-24 or the teacher qualifications in section
26 15-41-25 must be supported in the amount of two hundred twenty dollars,
27 which is the basis for calculating grants-in-aid on a per student basis as
28 provided in section 15-40.1-07.
- 29 c. School districts operating high schools that are not accredited pursuant to the
30 accreditation standards adopted by the superintendent of public instruction on
31 July 1, 1991, or that become unaccredited in any succeeding school year

- 1 must be supported for the ~~1991-92 school year~~ or for the first year that they
2 become unaccredited in the amount of the educational support per student
3 established in subdivision a, which is the basis for calculating grants-in-aid on
4 a per student basis as provided in section 15-40.1-07, but those school
5 districts are not entitled to the amounts resulting from applying the factors in
6 that section. The amount of aid a school district is entitled to under this
7 subsection for each high school that is not accredited must be reduced by two
8 hundred dollars times the number of students in the school for the second
9 school year that the high school is unaccredited, and an additional two
10 hundred dollars per student in the unaccredited school for each additional
11 year the school remains unaccredited. Any high school that becomes
12 accredited is entitled to the per student payments provided for in section
13 15-40.1-07 for the entire school year in which the school becomes accredited.
- 14 d. School districts operating elementary schools that are not accredited pursuant
15 to the accreditation standards adopted by the superintendent of public
16 instruction on July 1, 1992, or that become unaccredited in any succeeding
17 school year must be supported for the ~~1992-93 school year~~ or for the first
18 year that they become unaccredited in the amount of the educational support
19 per student established in subdivision a, which is the basis for calculating
20 grants-in-aid on a per student basis as provided in section 15-40.1-08, except
21 that the amount of aid that a school district is entitled to under this subsection
22 for each elementary school that is unaccredited must be reduced by two
23 hundred dollars times the number of students in the school each year that the
24 elementary school is unaccredited. Any elementary school that becomes
25 accredited is entitled to the per student payments provided for in section
26 15-40.1-08 for the entire school year in which the school becomes accredited.
- 27 3. In determining the amount of payments due school districts for tuition
28 apportionment provided in section 15-44-03, and per student aid under this
29 section, the amount of tuition apportionment, foundation aid, special education aid,
30 and transportation aid for which a school district is eligible must be added together,
31 and from that total, the following amounts must be subtracted:

- 1 a. The product of thirty-two mills times the latest available net assessed and
2 equalized valuation of property of the school district.
- 3 b. The amount that the unobligated general fund balance of a school district on
4 the preceding June thirtieth is in excess of three-fourths of the actual
5 expenditures, plus an additional twenty thousand dollars.
- 6 4. No school district may receive foundation payments beyond the October payment
7 unless the following reports have been filed with the superintendent of public
8 instruction:
 - 9 a. Annual average daily membership report.
 - 10 b. Annual school district financial report.
 - 11 c. The September tenth fall enrollment report.
 - 12 d. The personnel report forms for certified and noncertified employees.
- 13 5. No school district may receive the January foundation payment unless the taxable
14 valuation and mill levy certifications are on file with the department of public
15 instruction by December fifteenth.

16 **SECTION 4. AMENDMENT.** Section 15-40.1-07 of the 1997 Supplement to the North
17 Dakota Century Code is amended and reenacted as follows:

18 **15-40.1-07. High school per student payments - Amount - Proportionate**
19 **payments.** Payments must be made each year from state funds to each school district
20 operating a high school and to each school district contracting to educate high school students
21 in a federal school, subject to adjustment as provided in section 15-40.1-09, as follows:

- 22 1. For each high school district having under seventy-five students in average daily
23 membership in grades nine through twelve, the amount of money resulting from
24 multiplying the factor 1.625 adjusted by ~~sixty-five~~ seventy-five percent of the
25 difference between 1.625 and the factor representing the five-year average cost of
26 education per student for this category, as determined by the superintendent of
27 public instruction, times the number of high school students in grades nine through
28 twelve registered in that school district, times the educational support per student
29 as provided in section 15-40.1-06. ~~Beginning July 1, 1998, the factor is 1.625~~
30 ~~adjusted by seventy five percent of the difference between 1.625 and the factor~~

1 ~~representing the five-year average cost of education per student for this category,~~
2 ~~as determined by the superintendent of public instruction.~~

3 2. For each high school district having seventy-five or more, but less than one
4 hundred fifty students in average daily membership in grades nine through twelve,
5 the amount of money resulting from multiplying the factor 1.335 adjusted by
6 ~~sixty-five~~ seventy-five percent of the difference between 1.335 and the factor
7 representing the five-year average cost of education per student for this category,
8 as determined by the superintendent of public instruction, times the number of high
9 school students in grades nine through twelve registered in that school district,
10 times the educational support per student provided in section 15-40.1-06.
11 ~~Beginning July 1, 1998, the factor is 1.335 adjusted by seventy five percent of the~~
12 ~~difference between 1.335 and the factor representing the five-year average cost of~~
13 ~~education per student for this category, as determined by the superintendent of~~
14 ~~public instruction.~~

15 3. For each high school district having one hundred fifty or more, but less than five
16 hundred fifty students in average daily membership in grades nine through twelve,
17 the amount of money resulting from multiplying the factor 1.24 adjusted by
18 ~~sixty-five~~ seventy-five percent of the difference between 1.24 and the factor
19 representing the five-year average cost of education per student for this category,
20 as determined by the superintendent of public instruction, times the number of high
21 school students in grades nine through twelve registered in that school district,
22 times the educational support per student provided in section 15-40.1-06.
23 ~~Beginning July 1, 1998, the factor is 1.24 adjusted by seventy five percent of the~~
24 ~~difference between 1.24 and the factor representing the five-year average cost of~~
25 ~~education per student for this category, as determined by the superintendent of~~
26 ~~public instruction.~~

27 4. For each high school district having a total high school enrollment of five hundred
28 fifty or more students in average daily membership in grades nine through twelve,
29 the amount of money resulting from multiplying the factor 1.14 adjusted by
30 ~~sixty-five~~ seventy-five percent of the difference between 1.14 and the factor
31 representing the five-year average cost of education per student for this category,

1 as determined by the superintendent of public instruction, times the number of high
2 school students in grades nine through twelve registered in that school district,
3 times the educational support per student provided in section 15-40.1-06.

4 ~~Beginning July 1, 1998, the factor is 1.14 adjusted by seventy five percent of the~~
5 ~~difference between 1.14 and the factor representing the five year average cost of~~
6 ~~education per student for this category, as determined by the superintendent of~~
7 ~~public instruction.~~

8 5. For high schools having an approved alternative education program, the amount of
9 money resulting from multiplying the factor in:

10 a. Subsection 1 times the number of students registered in the alternative
11 education program, times the educational support per student provided in
12 section 15-40.1-06, if the alternative education program has less than
13 seventy-five students in average daily membership.

14 b. Subsection 2 times the number of students registered in the alternative
15 education program, times the educational support per student provided in
16 section 15-40.1-06, if the alternative education program has seventy-five or
17 more, but less than one hundred fifty students in average daily membership.

18 c. Subsection 3 times the number of students registered in the alternative
19 education program, times the educational support per student provided in
20 section 15-40.1-06, if the alternative education program has one hundred fifty
21 or more, but less than five hundred fifty students in average daily
22 membership.

23 d. Subsection 4 times the number of students registered in the alternative
24 education program times the educational support per student as provided in
25 section 15-40.1-06 if the alternative education program has five hundred fifty
26 or more students in average daily membership.

27 Every high school district must receive at least as much in total payments as it would have
28 received if it had the highest number of students in the next lower category. Payments may not
29 be made unless four or more units of standard high school work approved by the
30 superintendent of public instruction are offered during the current year, only certificated
31 teachers have been employed, and the other standards prescribed by this chapter have been

1 met. Payments must be made to the high school district in which the student is enrolled for
2 graduation and units of approved vocational education in accordance with the provisions of
3 chapter 15-20.1, and other courses approved by the superintendent of public instruction,
4 earned in another high school district must be included to meet the minimum four required
5 units. In the case of students enrolled in nonpublic schools for graduation or students enrolled
6 in less than four units of standard high school work who are in their fourth year of high school
7 coursework and who are enrolled in approved alternative high school curriculum programs,
8 proportionate payments must be made to the public school district in which the student is
9 enrolled for specific courses. ~~School districts offering high school summer school programs are~~
10 ~~eligible for proportionate payments provided each course offered satisfies requirements for~~
11 ~~graduation, comprises at least as many clock hours as courses offered during the regular~~
12 ~~school term, and complies with rules adopted by the superintendent of public instruction. The~~
13 ~~superintendent may adopt rules regarding eligibility for school districts to receive proportionate~~
14 ~~payments for summer education programs. The proportionate payment made under this~~
15 ~~section during the biennium for high school summer school programs may not exceed one and~~
16 ~~one-half percent of the total amount appropriated by the legislative assembly for foundation aid~~
17 ~~and transportation aid during the biennium.~~

18 **SECTION 5. AMENDMENT.** Section 15-40.1-07.3 of the 1997 Supplement to the
19 North Dakota Century Code is amended and reenacted as follows:

20 **15-40.1-07.3. Per student payments - Reorganization of school districts.**

- 21 1. If any school district receiving per student payments calculated under section
22 15-40.1-07 reorganizes with another school district under chapter 15-27.3 or
23 15-27.6 before August 1, 1997, the school district resulting from the reorganization
24 is entitled to receive the same per student payments for each high school student
25 as each separate school district received for each high school student prior to the
26 reorganization, for a period of four years.
- 27 2. If any school district receiving per student payments calculated under this chapter
28 reorganizes with another school district under chapter 15-27.3 or 15-27.6 after
29 July 31, 1997, the school district resulting from the reorganization is entitled to
30 receive the same per student payments for each high school and elementary

1 student as each separate school district received for each high school and
2 elementary student prior to the reorganization, for a period of four years.

3 3. The weighting factor for each district will be adjusted proportionately over a period
4 of two years, following the period of time provided in subsection 1 or 2, until the
5 adjusted weighting factor equals the weighting factor for the combined enrollment
6 resulting from the reorganization.

7 4. Notwithstanding the provisions of any other law, no school district may receive less
8 in per student payments for the first year of its reorganization than the total amount
9 that the districts participating in the reorganization received in per student
10 payments for the school year immediately preceding the reorganization. If less
11 than a whole school district participated in a reorganization, the superintendent of
12 public instruction shall prorate the payments to which the newly reorganized district
13 is entitled under this subsection.

14 **SECTION 6. AMENDMENT.** Section 15-40.1-08 of the 1997 Supplement to the North
15 Dakota Century Code is amended and reenacted as follows:

16 **15-40.1-08. Elementary per student payments - Amount.** Payments must be made
17 from state funds to each school district operating an elementary school and to each school
18 district contracting to educate elementary students in a federal school, employing teachers
19 holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36,
20 adjusted as provided in section 15-40.1-09, as follows:

21 1. For each one-room rural school, the amount of money resulting from multiplying
22 the factor 1.28 adjusted by ~~sixty-five~~ seventy-five percent of the difference
23 between 1.28 and the factor representing the five-year average cost of education
24 per student for this category, as determined by the superintendent of public
25 instruction, times the number of students in that school in grades one through eight
26 in average daily membership, up to a maximum of sixteen students, times the
27 educational support per student provided in section 15-40.1-06. There must be
28 paid .9 times each additional student in its school in grades one through eight in
29 average daily membership times the educational support per student provided in
30 section 15-40.1-06, except that no payment may be made for more than twenty
31 students in average daily membership. If the one-room rural school is located in a

- 1 school district with another elementary school, the weighting factor for the students
2 in grades one through six must be based on the average daily membership in the
3 district in grades one through six as provided in subsections 2 through 4. If the
4 one-room rural school is located in a school district with another school that has
5 students in grade seven or eight, the weighting factor for the students in grade
6 seven or eight must be the same as that provided for in subsection 5. ~~Beginning~~
7 ~~July 1, 1998, the factor is 1.28 adjusted by seventy five percent of the difference~~
8 ~~between 1.28 and the five-year average cost of education per student for this~~
9 ~~category, as determined by the superintendent of public instruction.~~
- 10 2. For each elementary school in school districts having under one hundred students
11 in average daily membership in grades one through six, the amount of money
12 resulting from multiplying the factor 1.09 adjusted by ~~sixty-five~~ seventy-five percent
13 of the difference between 1.09 and the factor representing the five-year average
14 cost of education per student for this category, as determined by the
15 superintendent of public instruction, times the number of students in that school in
16 grades one through six in average daily membership in each classroom or for each
17 teacher, times the educational support per student provided in section 15-40.1-06,
18 except that no payment may be made for more than twenty-five students in
19 average daily membership in each classroom or for each teacher. ~~Beginning~~
20 ~~July 1, 1998, the factor is 1.09 adjusted by seventy five percent of the difference~~
21 ~~between 1.09 and the five-year average cost of education per student for this~~
22 ~~category, as determined by the superintendent of public instruction.~~
- 23 3. For each elementary school in school districts having one hundred or more
24 students in average daily membership in grades one through six, and provided the
25 districts in which such schools are located have an average daily membership of
26 less than one thousand elementary students in grades one through six, the amount
27 of money resulting from multiplying the factor .905 adjusted by ~~sixty-five~~
28 seventy-five percent of the difference between .905 and the factor representing the
29 five-year average cost of education per student for this category, as determined by
30 the superintendent of public instruction, times the number of students in that
31 school in grades one through six in average daily membership in each classroom

1 or for each teacher times the educational support per student provided in section
2 15-40.1-06, except that no payment may be made for more than thirty students in
3 average daily membership in each classroom or for each teacher. ~~Beginning~~
4 ~~July 1, 1998, the factor is .905 adjusted by seventy five percent of the difference~~
5 ~~between .905 and the five year average cost of education per student for this~~
6 ~~category, as determined by the superintendent of public instruction.~~

7 4. For each elementary school in school districts having an average daily
8 membership of one thousand or more elementary students in grades one through
9 six, the amount of money resulting from multiplying the factor .95 adjusted by
10 ~~sixty five~~ seventy-five percent of the difference between .95 and the factor
11 representing the five-year average cost of education per student for this category,
12 as determined by the superintendent of public instruction, times the number of
13 students in that school in grades one through six in average daily membership in
14 each classroom or for each teacher times the educational support per student
15 provided in section 15-40.1-06, except that no payment may be made for more
16 than thirty students in average daily membership in each classroom or for each
17 teacher. ~~Beginning July 1, 1998, the factor is .95 adjusted by seventy five percent~~
18 ~~of the difference between .95 and the five year average cost of education per~~
19 ~~student for this category, as determined by the superintendent of public instruction.~~

20 5. For each of the above classes of elementary schools, except for one-room rural
21 schools that are not located in a district with another school having students in
22 grade seven or eight, there must be paid to each school the amount of money
23 resulting from multiplying the factor 1.01 adjusted by ~~sixty five~~ seventy-five percent
24 of the difference between 1.01 and the factor representing the five-year average
25 cost of education per student for this category, as determined by the
26 superintendent of public instruction, times the number of students in that school in
27 grades seven and eight in average daily membership in each classroom or for
28 each teacher times the educational support per student provided in section
29 15-40.1-06, except that no payment may be made for more than thirty students in
30 average daily membership in each classroom or for each teacher. ~~Beginning~~
31 ~~July 1, 1998, the factor is 1.01 adjusted by seventy five percent of the difference~~

- 1 ~~between 1.01 and the five-year average cost of education per student for this~~
2 ~~category, as determined by the superintendent of public instruction.~~
- 3 6. For each elementary school having students under the compulsory age for school
4 attendance, but not less than three years of age, in a special education program
5 approved by the director of special education, the amount of money resulting from
6 multiplying the factor 1.01 adjusted by ~~sixty-five~~ seventy-five percent of the
7 difference between 1.01 and the factor representing the five-year average cost of
8 education per student for this category, as determined by the superintendent of
9 public instruction, times the number of special education students in that school
10 under the compulsory age for school attendance in average daily membership in
11 each classroom or for each teacher times the educational support per student
12 provided in section 15-40.1-06. ~~Beginning July 1, 1998, the factor is 1.01 adjusted~~
13 ~~by seventy-five percent of the difference between 1.01 and the five-year average~~
14 ~~cost of education per student for this category, as determined by the~~
15 ~~superintendent of public instruction.~~
- 16 7. For each elementary school providing a kindergarten that is established according
17 to provisions of section 15-45-01, the amount of money resulting from multiplying
18 the factor .50 adjusted by ~~sixty-five~~ seventy-five percent of the difference between
19 .50 and the factor representing the five-year average cost of education per student
20 for this category, as determined by the superintendent of public instruction, times
21 the number of students in that school in average daily membership in each
22 classroom or for each teacher times the educational support per student, as
23 provided under section 15-40.1-06, except that no payment may be made for more
24 than twenty-five students in average daily membership in each classroom or for
25 each teacher. The full per student payment may be made only to those
26 kindergarten programs providing the equivalent of ninety full days of classroom
27 instruction during any twelve-month period. Programs providing shorter periods of
28 instruction during the same time period must receive a proportionately smaller per
29 student payment. ~~Beginning July 1, 1998, the factor is .50 adjusted by~~
30 ~~seventy-five percent of the difference between .50 and the five-year average cost~~

1 ~~of education per student for this category, as determined by the superintendent of~~
2 ~~public instruction.~~

3 The superintendent of public instruction shall make proportionate payments to each
4 public school district educating students who are also enrolled in nonpublic schools.

5 Every school district must receive at least as much in total payments for elementary
6 students as it would have received if it had the highest number of students in the next lower
7 category.

8 **SECTION 7.** A new section to chapter 15-40.1 of the North Dakota Century Code is
9 created and enacted as follows:

10 **Summer school programs - Proportionate payments.**

- 11 1. A school district that offers high school summer school programs is entitled to
12 receive proportionate payments provided each course offered satisfies
13 requirements for graduation, comprises at least as many clock hours as courses
14 offered during the regular school term, and complies with rules adopted by the
15 superintendent of public instruction.
- 16 2. A school district that offers remedial elementary summer school programs is
17 entitled to receive proportionate payments provided the programs comply with
18 rules adopted by the superintendent of public instruction.
- 19 3. The superintendent of public instruction may adopt rules regarding proportionate
20 payments for remedial elementary summer school programs and high school
21 summer school programs.
- 22 4. Proportionate payments made under this section during a biennium for summer
23 school programs may not exceed one and one-half percent of the total amount
24 appropriated by the legislative assembly for foundation aid and transportation aid
25 during the biennium, or eight million dollars, whichever is less. No more than
26 seventy-five percent of the amount made available under this subsection may be
27 used to support high school summer school programs and no more than
28 twenty-five percent of the amount made available under this subsection may be
29 used to support remedial elementary summer school programs.

30 **SECTION 8.** A new section to chapter 15-40.1 of the North Dakota Century Code is
31 created and enacted as follows:

- 1 **Nonoperating school districts - Education of students - State payments.**
- 2 1. Notwithstanding the provisions of any other law, a school district operating on the
- 3 effective date of this Act may become a nonoperating district, provided:
- 4 a. The board of the district terminates the operation of all public schools in the
- 5 district;
- 6 b. The board provides for the education in other school districts of all
- 7 kindergarten, elementary, and secondary school students residing in the
- 8 district; and
- 9 c. The board pays to other school districts educating its students the full per
- 10 student cost of education in the receiving district.
- 11 2. The board of a nonoperating school district shall continue to employ, on a full-time
- 12 or a part-time basis, one person qualified to manage the finances of the district.
- 13 3. The board of a nonoperating school district is governed by all laws applicable to
- 14 the board of an operating school district.
- 15 4. In lieu of all other state payments, a nonoperating school district under this section
- 16 is entitled to receive an amount equal to the per student payment determined
- 17 under section 15-40.1-06 and multiplied by the number of students ages six
- 18 through seventeen who reside in the district, as established by the latest available
- 19 school district census, less the product of thirty-two mills times the latest available
- 20 net assessed and equalized valuation of property of the school district.
- 21 5. A school district may be nonoperational for no more than three school years.
- 22 6. At or before the conclusion of the three-year period, the nonoperating school
- 23 district must become, through reorganization or dissolution, part of one or more
- 24 operating school districts.
- 25 7. A school district that has become a nonoperating district and has accepted state
- 26 payments, as provided for by this section, may not revert to an independent
- 27 operating district.

28 **SECTION 9.** A new section to chapter 15.1-09 of the North Dakota Century Code is
29 created and enacted as follows:

30 **School district superintendent - Joint employment - Accreditation.** The
31 superintendent of public instruction may not impose through the accreditation process any

1 penalties or sanctions on a school district for employing a superintendent jointly with one or
2 more other districts. The superintendent may not require, through the accreditation process,
3 that an employee of a school district having fewer than one hundred students in high school
4 spend more than thirty-three percent of the employee's time performing the duties of a school
5 principal if the school district employs a superintendent jointly with one or more other districts.

6 **SECTION 10. AMENDMENT.** Subsection 1 of section 57-15-14.2 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 1. A school board of any school district may levy an amount sufficient to cover
9 general expenses including the costs of the following:
 - 10 a. Board and lodging for high school students as provided in section 15-34.2-06.
 - 11 b. The teachers' retirement fund as provided in section 15-39.1-28.
 - 12 c. Tuition for students in grades seven through twelve as provided in section
13 15-40.2-12.
 - 14 d. Special education program as provided in section 15-59-08.
 - 15 e. The establishment and maintenance of an insurance reserve fund for
16 insurance purposes as provided in section 32-12.1-08.
 - 17 f. A final judgment obtained against a school district.
 - 18 g. The district's share of contribution to the old-age survivors' fund and matching
19 contribution for the social security fund as provided by chapter 52-09 and to
20 provide the district's share of contribution to the old-age survivors' fund and
21 matching contribution for the social security fund for contracted employees of
22 a multidistrict special education board.
 - 23 h. The rental or leasing of buildings, property, or classroom space. Minimum
24 state standards for health and safety applicable to school building
25 construction shall apply to any rented or leased buildings, property, or
26 classroom space.
 - 27 i. Unemployment compensation benefits.
 - 28 j. The removal of asbestos substances from school buildings or the abatement
29 of asbestos substances in school buildings under any method approved by
30 the United States environmental protection agency and any repair,
31 replacement, or remodeling that results from such removal or abatement, any

- 1 remodeling required to meet specifications set by the Americans with
2 Disabilities Act Accessibility Guidelines for Buildings and Facilities as
3 contained in the appendix to title 28, Code of Federal Regulations, part 36
4 [28 CFR 36], and any remodeling required to meet requirements set by the
5 state fire marshal during the inspection of a public school.
- 6 k. Participating in cooperative vocational education programs approved by the
7 state board.
- 8 l. Maintaining a vocational education program approved by the state board and
9 established only for that school district.
- 10 m. Paying the cost of purchasing, contracting, operating, and maintaining
11 schoolbuses.
- 12 n. Establishing and maintaining school library services.
- 13 o. Equipping schoolbuses with two-way communications and central station
14 equipment and providing for the installation and maintenance of such
15 equipment.
- 16 p. Establishing free public kindergartens in connection with the public schools of
17 the district for the instruction of resident children below school age during the
18 regular school term.
- 19 q. Establishing, maintaining, and conducting a public recreation system.
- 20 r. The district's share of contribution to finance an interdistrict cooperative
21 agreement authorized by section 15-47-40.1.

22 **SECTION 11. AMENDMENT.** Section 57-15-17.1 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **57-15-17.1. Multiyear asbestos abatement and required remodeling levy by**
25 **school district.**

- 26 1. The governing body of any public school district may by resolution adopted by a
27 two-thirds vote of the school board dedicate a tax levy for purposes of this section
28 of not exceeding fifteen mills on the dollar of taxable valuation of property within
29 the district for a period not longer than fifteen years. The school board may
30 authorize and issue general obligation bonds to be paid from the proceeds of this
31 dedicated levy for the purpose of ~~providing~~:

- 1 a. Providing funds for the removal of asbestos substances from school buildings
2 or the abatement of asbestos substances in school buildings under any other
3 method approved by the United States environmental protection agency and
4 for any repair, replacement, or remodeling that results from removal or
5 abatement of asbestos substances;
- 6 b. Any remodeling required to meet specifications set by the Americans with
7 Disabilities Act Accessibility Guidelines for Buildings and Facilities as
8 contained in the appendix to title 28, Code of Federal Regulations, part 36
9 [28 CFR 36]; and
- 10 c. Any remodeling required to meet requirements set by the state fire marshal
11 during the inspection of a public school.
- 12 2. All revenue accruing from the levy under this section, except revenue deposited as
13 allowed by subsection 3, must be placed in a separate fund known as the asbestos
14 abatement fund and must be accounted for within the capital projects fund group
15 and disbursements must be made from such funds within this fund group for the
16 purpose of asbestos abatement.
- 17 3. All revenue accruing from up to five mills of the fifteen mill levy under this section
18 must be placed in a separate fund known as the required remodeling fund and
19 must be accounted for within the capital projects fund group and disbursements
20 must be made from such funds within this fund group for the purpose of required
21 remodeling, as set forth in subsection 1.
- 22 4. Any moneys remaining in the asbestos abatement fund after completion of the
23 principal and interest payments for any bonds issued for any school asbestos
24 abatement project and any funds remaining in the required remodeling fund after
25 completion of the remodeling projects must be transferred to the general fund of
26 the school district upon the order of the school board.

27 **SECTION 12. REIMBURSEMENT - REORGANIZED DISTRICTS.** In distributing per
28 student payments for the 1997-99 biennium, the superintendent of public instruction shall
29 ensure that no school district reorganized after June 30, 1997, and before July 1, 1999,
30 receives less in per student payments for the first year of its reorganization than the districts

1 participating in the reorganization received in per student payments for the school year
2 immediately preceding the reorganization.

3 **SECTION 13. LEGISLATIVE COUNCIL STUDY OF EDUCATIONAL EQUITY AND**

4 **FUTURE EDUCATIONAL DELIVERY.** The legislative council shall study the provision of

5 education to public school students in this state and shall examine the manner in which

6 education to public school students will be delivered in the ensuing five, ten, and twenty years.

7 Within this study, the council shall address demographic changes as they affect equity of

8 educational opportunities with respect to courses, facilities, and extracurricular activities; equity

9 with respect to teacher availability and qualifications; equity with respect to the organization and

10 administration of school districts; and taxpayer equity in both rural and urban school districts.

11 The legislative council shall report its findings and recommendations, together with any

12 legislation necessary to implement the recommendations, to the fifty-seventh legislative

13 assembly.

14 **SECTION 14. APPROPRIATION - CONTINGENT DISTRIBUTIONS.**

15 1. a. There is hereby appropriated out of any moneys in the general fund in the
16 state treasury, not otherwise appropriated, the sum of \$3,500,000, or so much
17 of the sum as may be necessary, to the superintendent of public instruction
18 for the purpose of providing supplemental payments to school districts, for the
19 biennium beginning July 1, 1999, and ending June 30, 2001.

20 b. During the first year of the biennium, the superintendent shall distribute
21 \$1,750,000 of the appropriated amount as supplemental per student
22 payments to each school district in the state on the basis of average daily
23 membership and \$1,000,000 of the appropriated amount to assist school
24 districts whose 1999-2000 fall enrollment is less than the district's 1994-1995
25 fall enrollment. The superintendent shall base the latter payments on each
26 eligible school district's proportionate share of the total statewide decline
27 during the five-year period, provided that no school district is eligible to
28 receive payments for declining enrollments in excess of five hundred
29 students.

- 1 c. During the second year of the biennium, the superintendent shall distribute
2 the remaining \$750,000 as supplemental per student payments to each
3 school district in the state on the basis of average daily membership.
- 4 2. a. If any funds appropriated by the legislative assembly to the grants -
5 foundation aid and transportation line item remain after completion of all
6 statutory obligations, to the extent of legislative appropriations, the
7 superintendent of public instruction shall distribute the first \$1,000,000 of
8 such contingent funds as supplemental per student payments to each school
9 district in the state on the basis of average daily membership.
- 10 b. The superintendent shall distribute the next \$1,000,000 of such contingent
11 funds to assist school districts experiencing declines in student enrollment
12 under the terms provided for by subdivision b of subsection 1.
- 13 c. The superintendent shall distribute the next \$2,000,000 of such contingent
14 funds to school districts eligible to receive reorganization bonuses, as
15 provided for by Senate Bill No. 2441, as approved by the fifty-sixth legislative
16 assembly, and shall distribute any remaining funds as supplemental per
17 student payments to each school district in the state on the basis of average
18 daily membership.

19 **SECTION 15. REORGANIZATION BONUSES - LEGISLATIVE INTENT.** If insufficient
20 funds exist to fully reimburse all school districts eligible for reorganization bonuses, as provided
21 for by Senate Bill No. 2441, as approved by the fifty-sixth legislative assembly, the fifty-seventh
22 legislative assembly shall consider introduction of an emergency measure to adopt a deficiency
23 appropriation in an amount necessary to provide the full reimbursement.

24 **SECTION 16. EMERGENCY.** Sections 2, 7, and 12 of this Act are declared to be an
25 emergency measure.