

**HOUSE BILL NO. 1154**

Introduced by

Education Committee

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

1 A BILL for an Act to amend and reenact sections 15.1-27-04, 15.1-27-06, 15.1-27-07, and  
2 15.1-27-15 of the North Dakota Century Code and section 38 of chapter 667 of the 2003  
3 Session Laws, relating to per student payments and weighting factors and teacher  
4 compensation; and to provide for contingent payments.

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

6 **SECTION 1. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-27-04. Per student payment.** The per student payment to which each school  
9 district is entitled for the first year of the biennium is two thousand ~~five~~ seven hundred ~~nine~~  
10 twenty-six dollars. The per student payment to which each school district is entitled for the  
11 second year of the biennium is two thousand ~~six~~ eight hundred ~~twenty-three~~ twenty-six dollars.  
12 The per student amount is the basis for calculating state payments to school districts, as  
13 provided in sections 15.1-27-06 and 15.1-27-07.

14 **SECTION 2. AMENDMENT.** Section 15.1-27-06 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **15.1-27-06. Per student payments - Weighting factors - High school students.**  
17 The superintendent of public instruction shall make payments each year, as provided for in this  
18 section, to each school district operating a high school and to each school district contracting to  
19 educate high school students in a federal school, subject to adjustment as provided in section  
20 15.1-27-21.

21 1. Each district having under ~~seventy-five~~ one hundred twenty students in average  
22 daily membership in grades nine through twelve is entitled to receive the amount of  
23 money that results from multiplying the factor ~~1.625~~ adjusted by eighty-five percent  
24 ~~of the difference between 1.625 and the factor~~ representing the five-year average

- 1 cost of education per student for this category, as determined by the  
2 superintendent of public instruction, by the number of students in grades nine  
3 through twelve who are registered in that district, times the per student payment  
4 provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which~~  
5 ~~represents the five-year average cost of education per student in this category, as~~  
6 ~~determined by the superintendent of public instruction.~~
- 7 2. Each district having at least ~~seventy-five~~ one hundred twenty but fewer than ~~one~~  
8 three hundred fifty students in average daily membership in grades nine through  
9 twelve is entitled to receive the amount of money that results from multiplying the  
10 factor ~~1.335 adjusted by eighty five percent of the difference between 1.335 and~~  
11 ~~the factor~~ representing the five-year average cost of education per student for this  
12 category, as determined by the superintendent of public instruction, by the number  
13 of students in grades nine through twelve who are registered in that district, times  
14 the per student payment provided for in section 15.1-27-04. ~~Beginning July 1,~~  
15 ~~2004, the factor is that which represents the five-year average cost of education~~  
16 ~~per student in this category, as determined by the superintendent of public~~  
17 ~~instruction.~~
- 18 3. Each district having at least ~~one~~ three hundred fifty but fewer than ~~five hundred fifty~~  
19 students in average daily membership in grades nine through twelve is entitled to  
20 receive the amount of money that results from multiplying the factor ~~1.24 adjusted~~  
21 ~~by eighty five percent of the difference between 1.24 and the factor~~ representing  
22 the five-year average cost of education per student for this category, as determined  
23 by the superintendent of public instruction, by the number of students in grades  
24 nine through twelve who are registered in that district, times the per student  
25 payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is~~  
26 ~~that which represents the five-year average cost of education per student in this~~  
27 ~~category, as determined by the superintendent of public instruction.~~
- 28 4. ~~Each district having at least five hundred fifty students in average daily~~  
29 ~~membership in grades nine through twelve is entitled to receive the amount of~~  
30 ~~money that results from multiplying the factor 1.14 adjusted by eighty five percent~~  
31 ~~of the difference between 1.14 and the factor representing the five-year average~~

1 ~~cost of education per student for this category, as determined by the~~  
2 ~~superintendent of public instruction, by the number of students in grades nine~~  
3 ~~through twelve who are registered in that district, times the per student payment~~  
4 ~~provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which~~  
5 ~~represents the five-year average cost of education per student in this category, as~~  
6 ~~determined by the superintendent of public instruction.~~

- 7 ~~5.~~ 4. Each district having an approved alternative high school education program is  
8 entitled to receive the amount of money that results from multiplying the factor in:
- 9 a. Subsection 1 by the number of students registered in the alternative education  
10 program, times the per student payment provided for in section 15.1-27-04, if  
11 fewer than ~~seventy five~~ one hundred twenty students in average daily  
12 membership are enrolled in the alternative education program.
  - 13 b. Subsection 2 by the number of students registered in the alternative education  
14 program, times the per student payment provided for in section 15.1-27-04, if  
15 at least ~~seventy five~~ one hundred twenty but fewer than ~~one~~ three hundred  
16 ~~fifty~~ students in average daily membership are enrolled in the alternative  
17 education program.
  - 18 c. Subsection 3 by the number of students registered in the alternative education  
19 program, times the per student payment provided for in section 15.1-27-04, if  
20 at least ~~one~~ three hundred ~~fifty~~ but fewer than ~~five hundred fifty~~ students in  
21 average daily membership are enrolled in the alternative education program.
  - 22 ~~d. Subsection 4 by the number of students registered in the alternative education~~  
23 ~~program, times the per student payment provided for in section 15.1-27-04, if~~  
24 ~~at least five hundred fifty students in average daily membership are enrolled in~~  
25 ~~the alternative education program.~~
- 26 ~~6.~~ 5. In order to be eligible for enumeration under this section, a student:
- 27 a. Must have completed the work of the eighth grade;
  - 28 b. Must not have completed the work of the twelfth grade; and
  - 29 c. Must be a resident of this state or a nonresident attending a school in this  
30 state under the auspices of a foreign student exchange program.

1           6. In calculating payments under this section and subsections 1 through 4 of section  
2           15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that  
3           represents the lowest five-year average cost of education among all elementary  
4           and high school weighting categories other than kindergarten and shall use  
5           proportionately increased factors to represent the five-year average cost of  
6           education in all remaining weighting categories except kindergarten.

7           **SECTION 3. AMENDMENT.** Section 15.1-27-07 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **15.1-27-07. Per student payments - Weighting factors - Elementary school**  
10 **students.** The superintendent of public instruction shall make payments each year, as  
11 provided for in this section, to each school district operating an elementary school and to each  
12 school district contracting to educate elementary students in a federal school, subject to  
13 adjustment as provided in section 15.1-27-21.

14           ~~1. a. Each district having only a one-room rural school is entitled to receive the~~  
15           ~~amount of money that results from multiplying the factor 1.28 adjusted by~~  
16           ~~eighty-five percent of the difference between 1.28 and the factor representing~~  
17           ~~the five-year average cost of education per student for this category, as~~  
18           ~~determined by the superintendent of public instruction, by the number of~~  
19           ~~students in average daily membership in grades one through eight in that~~  
20           ~~school, times the per student payment provided for in section 15.1-27-04.~~  
21           ~~Beginning July 1, 2004, the factor is that which represents the five-year~~  
22           ~~average cost of education per student in this category, as determined by the~~  
23           ~~superintendent of public instruction. The payment level provided for in this~~  
24           ~~subdivision is applicable only to the first sixteen students.~~

25           ~~b. If the one-room rural school has more than sixteen students in average daily~~  
26           ~~membership in grades one through eight, the district in which the school is~~  
27           ~~located is entitled to receive ninety percent of the per student payment~~  
28           ~~provided for in section 15.1-27-04 for each additional student. The district is~~  
29           ~~not entitled to any payment for more than twenty students in average daily~~  
30           ~~membership.~~

- 1 e. ~~If a one-room rural school is located in a district having another elementary~~  
2 ~~school, the weighting factor for the students in grades one through six must~~  
3 ~~be based on the average daily membership in the district in grades one~~  
4 ~~through six, as provided in this section.~~
- 5 d. ~~If a one-room rural school is located in a school district with another school~~  
6 ~~that has students in grade seven or eight, the weighting factor for the students~~  
7 ~~in grade seven or eight must be the same as that provided for in subsection 5.~~
- 8 ~~2.~~ 1. ~~Except as provided in subsection 1, each Each school district having fewer than~~  
9 ~~one hundred students in average daily membership in grades one through six is~~  
10 ~~entitled to receive the amount of money that results from multiplying the factor 4.09~~  
11 ~~adjusted by eighty five percent of the difference between 1.09 and the factor~~  
12 ~~representing the five-year average cost of education per student for this category,~~  
13 ~~as determined by the superintendent of public instruction, by the number of~~  
14 ~~students in average daily membership in grades one through six in the district,~~  
15 ~~times the per student payment provided for in section 15.1-27-04. Beginning~~  
16 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~  
17 ~~education per student in this category, as determined by the superintendent of~~  
18 ~~public instruction. The payment provided for in this subsection is applicable only to~~  
19 ~~the first twenty five students in average daily membership per classroom or per~~  
20 ~~teacher.~~
- 21 ~~3.~~ 2. ~~Each school district having at least one hundred students but fewer than one~~  
22 ~~thousand students in average daily membership in grades one through six is~~  
23 ~~entitled to receive the amount of money that results from multiplying the factor .905~~  
24 ~~adjusted by eighty five percent of the difference between .905 and the factor~~  
25 ~~representing the five-year average cost of education per student for this category,~~  
26 ~~as determined by the superintendent of public instruction, by the number of~~  
27 ~~students in average daily membership in grades one through six in the district,~~  
28 ~~times the per student payment provided for in section 15.1-27-04. Beginning~~  
29 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~  
30 ~~education per student in this category, as determined by the superintendent of~~

- 1           ~~public instruction. The payment provided for in this subsection is applicable only to~~  
2           ~~the first thirty students in average daily membership per classroom or per teacher.~~
- 3           4. ~~Each school district having at least one thousand students in average daily~~  
4           ~~membership in grades one through six is entitled to receive the amount of money~~  
5           ~~that results from multiplying the factor .95 adjusted by eighty five percent of the~~  
6           ~~difference between .95 and the factor representing the five year average cost of~~  
7           ~~education per student for this category, as determined by the superintendent of~~  
8           ~~public instruction, by the number of students in average daily membership in~~  
9           ~~grades one through six in the district, times the per student payment provided for in~~  
10           ~~section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the~~  
11           ~~five year average cost of the education per student in this category, as determined~~  
12           ~~by the superintendent of public instruction. The payment provided for in this~~  
13           ~~subsection is applicable only to the first thirty students in average daily~~  
14           ~~membership per classroom or per teacher.~~
- 15           5. 3. Each school district having students in grades seven and eight is entitled to receive  
16           the amount of money that results from multiplying the factor ~~1.01 adjusted by~~  
17           ~~eighty five percent of the difference between 1.01 and the factor representing the~~  
18           ~~five-year average cost of education per student for this category, as determined by~~  
19           ~~the superintendent of public instruction, by the number of students in average daily~~  
20           ~~membership in grades seven and eight in the district, times the per student~~  
21           ~~payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is~~  
22           ~~that which represents the five year average cost of education per student in this~~  
23           ~~category, as determined by the superintendent of public instruction. The payment~~  
24           ~~provided for in this subsection is applicable only to the first thirty students in~~  
25           ~~average daily membership per classroom or per teacher. The payments provided~~  
26           ~~for in this subsection are not available for students who attend a one room rural~~  
27           ~~school if that school is the only one in the district that offers educational services to~~  
28           ~~students in grades seven and eight.~~
- 29           6. 4. Each school district having a special education program approved by the director  
30           of special education is entitled to receive, for each student who is enrolled in the  
31           program and who is at least three years of age but less than the compulsory age

1 for school attendance, the amount of money that results from multiplying the factor  
2 ~~1.01 adjusted by eighty five percent of the difference between 1.01 and the factor~~  
3 representing the five-year average cost of education per student for this category,  
4 as determined by the superintendent of public instruction, by the number of special  
5 education students in average daily membership in the program who are at least  
6 three years of age but less than the compulsory age for school attendance, times  
7 the per student payment provided for in section 15.1-27-04. ~~Beginning July 1,~~  
8 ~~2004, the factor is that which represents the five-year average cost of education~~  
9 ~~per student in this category, as determined by the superintendent of public~~  
10 ~~instruction.~~

- 11 ~~7.~~ 5. a. Each school district operating a kindergarten as provided for in section  
12 15.1-22-02 is entitled to receive the amount of money that results from  
13 multiplying the factor ~~.50 adjusted by eighty five percent of the difference~~  
14 ~~between .50 and the factor~~ representing the five-year average cost of  
15 education per student for this category, as determined by the superintendent  
16 of public instruction, by the number of kindergarten students in average daily  
17 membership in the district, times the per student payment provided for in  
18 section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which~~  
19 ~~represents the five-year average cost of education per student in this~~  
20 ~~category, as determined by the superintendent of public instruction.~~ The  
21 payment provided for in this subsection is applicable only to the first  
22 twenty-five students in average daily membership per classroom or per  
23 teacher.
- 24 b. In order to receive the full per student payment available under this section, a  
25 district must operate a kindergarten program that provides the equivalent of  
26 ninety full days of classroom instruction during a twelve-month period. A  
27 district is entitled to a prorated payment under this section if it operates a  
28 kindergarten program of shorter duration.
- 29 ~~8.~~ 6. Each school district that educates students who are also enrolled in nonpublic  
30 schools is entitled to receive proportionate payments under this section.

1       9- 7. Each school district is entitled to receive as much in total payments for elementary  
2           students as it would have received if it had the highest number of students in the  
3           next lower category.

4       40- 8. A school district is not entitled to any payments provided for by this chapter unless  
5           each teacher employed by the district:

6           a. Holds a teaching license issued by the education standards and practices  
7           board; or

8           b. Has been approved to teach by the education standards and practices board.

9       9. In calculating payments under subsections 1 through 4 and under section  
10       15.1-27-06, the superintendent of public instruction shall use 1.0 as the factor that  
11       represents the lowest five-year average cost of education among all elementary  
12       and high school weighting categories other than kindergarten and shall use  
13       proportionately increased factors to represent the five-year average cost of  
14       education in all remaining weighting categories except kindergarten.

15       **SECTION 4. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is  
16       amended and reenacted as follows:

17       **15.1-27-15. Per student payments - Isolated schools.**

18       1. If an elementary school has fewer than fifty students and fifteen percent or more of  
19       its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from  
20       their residences in order to attend another school, the weighting factor provided  
21       under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five percent ~~for the~~  
22       ~~first fifteen students~~. If the school has fewer than fifteen students, the payment  
23       received must be for fifteen students.

24       2. If a high school has fewer than thirty-five students and fifteen percent or more of its  
25       students would have to travel beyond a twenty-mile [32.2-kilometer] radius from  
26       their residences in order to attend another school, the weighting factor provided  
27       under section 15.1-27-06 must be increased by ~~twenty~~ twenty-five percent ~~for the~~  
28       ~~first twenty students~~. If the school has fewer than twenty students, the payment  
29       received must be for twenty students.

30       **SECTION 5. AMENDMENT.** Section 38 of chapter 667 of the 2003 Session Laws is  
31       amended and reenacted as follows:



1           **SECTION 38. TEACHER COMPENSATION.**

- 2           1. During the ~~2003-05~~ 2005-07 biennium, the board of each school district shall use  
3           an amount equal to at least seventy percent of all new moneys received for per  
4           student payments under section 15.1-27-04 and tuition apportionment payments  
5           under section 15.1-28-03 for the purpose of increasing the compensation paid to  
6           teachers and for the purpose of providing compensation to teachers who begin  
7           employment with the district on or after July 1, ~~2003~~ 2005.
- 8           2. For purposes of this section, "new moneys" means any increase in the amount  
9           received by a district for per student payments under section 15.1-27-04 and tuition  
10          apportionment payments under section 15.1-28-03 between the ~~2004-03~~ 2005-07  
11          biennium and the ~~2003-05~~ 2005-07 biennium.
- 12          3. For purposes of this section, school districts providing educational services under a  
13          cooperative agreement approved by the superintendent of public instruction are  
14          treated as a single district.
- 15          ~~4. a. The provisions of this section do not apply to a school district if the board of~~  
16          ~~the school district, after a public hearing at which public testimony and~~  
17          ~~documentary evidence are accepted, determines in its discretion and by an~~  
18          ~~affirmative vote of two-thirds of its members that complying with the provisions~~  
19          ~~of subsection 1 would place the school district in the position of having~~  
20          ~~insufficient fiscal resources to meet its other obligations.~~
- 21          ~~b. Within ten days of the vote required by subdivision a, the board shall notify the~~  
22          ~~superintendent of public instruction of its action and shall file a report detailing~~  
23          ~~the grounds for its determination and action.~~
- 24          ~~e. The superintendent of public instruction shall report all notices received under~~  
25          ~~this subsection to an interim committee designated by the legislative council.~~

26           **SECTION 6. CONTINGENT PAYMENTS - REORGANIZATION BONUS.** If any  
27          moneys appropriated for per student payments and transportation payments in the grants-state  
28          school aid line item contained in House Bill No. 1013 remain after payment of all statutory  
29          obligations for per student and transportation payments during the biennium beginning July 1,  
30          2005, and ending June 30, 2007, the superintendent of public instruction shall distribute the  
31          remaining moneys as follows:

- 1           1.    The superintendent of public instruction shall use the first \$900,000 for the purpose  
2                   of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to the  
3                   school districts having reorganizations effective after July 1, 2005, and before  
4                   July 1, 2007, and for the purpose of providing reorganization bonus advanced  
5                   payments, pursuant to section 15.1-12-11.2, to school districts studying  
6                   reorganization during the biennium beginning July 1, 2005, and ending June 30,  
7                   2007. If insufficient moneys exist to fully meet the requirements of this section, the  
8                   superintendent of public instruction shall prorate the payments according to that  
9                   percentage of the amount available to which a school district is entitled. Any  
10                  money distributed under this section is in addition to any money otherwise  
11                  appropriated by the legislative assembly for the purpose of reorganization  
12                  bonuses.
- 13           2.    The superintendent of public instruction shall use the remainder of the moneys to  
14                   provide additional per student payments on a prorated basis, according to the  
15                   average daily membership of each school district during the 2006-07 school year.