

Fifty-ninth
Legislative Assembly
of North Dakota

REENGROSSED 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,
2 15.1-27-15, 15.1-27-37, and 15.1-27-39 of the North Dakota Century Code and section 38 of
3 chapter 667 of the 2003 Session Laws, relating to per student payments and weighting factors
4 and teacher compensation; to provide for the distribution of transportation grants; to provide for
5 contingent payments; and to provide an appropriation.

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

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

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

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

17 **15.1-27-06. Per student payments - Weighting factors - High school students.**

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

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

- 1 ~~of the difference between 1.625 and the factor~~ representing the five-year average
2 cost of education per student for this category, as determined by the
3 superintendent of public instruction, by the number of students in grades nine
4 through twelve who are registered in that district, times the per student payment
5 provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which~~
6 ~~represents the five-year average cost of education per student in this category, as~~
7 ~~determined by the superintendent of public instruction.~~
- 8 2. Each district having at least ~~seventy five~~ one hundred twenty but fewer than ~~one~~
9 three hundred fifty students in average daily membership in grades nine through
10 twelve is entitled to receive the amount of money that results from multiplying the
11 factor ~~1.335 adjusted by eighty five percent of the difference between 1.335 and~~
12 ~~the factor~~ representing the five-year average cost of education per student for this
13 category, as determined by the superintendent of public instruction, by the number
14 of students in grades nine through twelve who are registered in that district, times
15 the per student payment provided for in section 15.1-27-04. ~~Beginning July 1,~~
16 ~~2004, the factor is that which represents the five-year average cost of education~~
17 ~~per student in this category, as determined by the superintendent of public~~
18 ~~instruction.~~
- 19 3. Each district having at least ~~one~~ three hundred fifty but fewer than ~~five hundred~~
20 fifty students in average daily membership in grades nine through twelve is entitled
21 to receive the amount of money that results from multiplying the factor ~~1.24~~
22 ~~adjusted by eighty five percent of the difference between 1.24 and the factor~~
23 representing the five-year average cost of education per student for this category,
24 as determined by the superintendent of public instruction, by the number of
25 students in grades nine through twelve who are registered in that district, times the
26 per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004,~~
27 ~~the factor is that which represents the five-year average cost of education per~~
28 ~~student in this category, as determined by the superintendent of public instruction.~~
- 29 4. ~~Each district having at least five hundred fifty students in average daily~~
30 ~~membership in grades nine through twelve is entitled to receive the amount of~~
31 ~~money that results from multiplying the factor 1.14 adjusted by eighty five percent~~

1 ~~of the difference between 1.14 and the factor representing the five-year average~~
2 ~~cost of education per student for this category, as determined by the~~
3 ~~superintendent of public instruction, by the number of students in grades nine~~
4 ~~through twelve who are registered in that district, times the per student payment~~
5 ~~provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which~~
6 ~~represents the five-year average cost of education per student in this category, as~~
7 ~~determined by the superintendent of public instruction.~~

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

1 c. Must be a resident of this state or a nonresident attending a school in this
2 state under the auspices of a foreign student exchange program.

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

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

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

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

27 ~~b. If the one-room rural school has more than sixteen students in average daily~~
28 ~~membership in grades one through eight, the district in which the school is~~
29 ~~located is entitled to receive ninety percent of the per student payment~~
30 ~~provided for in section 15.1-27-04 for each additional student. The district is~~

- 1 ~~not entitled to any payment for more than twenty students in average daily~~
2 ~~membership.~~
- 3 ~~e. If a one-room rural school is located in a district having another elementary~~
4 ~~school, the weighting factor for the students in grades one through six must~~
5 ~~be based on the average daily membership in the district in grades one~~
6 ~~through six, as provided in this section.~~
- 7 ~~d. If a one-room rural school is located in a school district with another school~~
8 ~~that has students in grade seven or eight, the weighting factor for the students~~
9 ~~in grade seven or eight must be the same as that provided for in subsection 5.~~
- 10 ~~2. 1. Except as provided in subsection 1, each Each school district having fewer than~~
11 ~~one hundred students in average daily membership in grades one through six is~~
12 ~~entitled to receive the amount of money that results from multiplying the factor 1.09~~
13 ~~adjusted by eighty five percent of the difference between 1.09 and the factor~~
14 ~~representing the five-year average cost of education per student for this category,~~
15 ~~as determined by the superintendent of public instruction, by the number of~~
16 ~~students in average daily membership in grades one through six in the district,~~
17 ~~times the per student payment provided for in section 15.1-27-04. Beginning~~
18 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~
19 ~~education per student in this category, as determined by the superintendent of~~
20 ~~public instruction. The payment provided for in this subsection is applicable only to~~
21 ~~the first twenty five students in average daily membership per classroom or per~~
22 ~~teacher.~~
- 23 ~~3. 2. Each school district having at least one hundred students but fewer than one~~
24 ~~thousand students in average daily membership in grades one through six is~~
25 ~~entitled to receive the amount of money that results from multiplying the factor .905~~
26 ~~adjusted by eighty five percent of the difference between .905 and the factor~~
27 ~~representing the five-year average cost of education per student for this category,~~
28 ~~as determined by the superintendent of public instruction, by the number of~~
29 ~~students in average daily membership in grades one through six in the district,~~
30 ~~times the per student payment provided for in section 15.1-27-04. Beginning~~
31 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~

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

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

12 ~~7.~~ 5. a. Each school district operating a kindergarten as provided for in section
13 15.1-22-02 is entitled to receive the amount of money that results from
14 multiplying the factor ~~.50 adjusted by eighty five percent of the difference~~
15 ~~between .50 and the factor~~ representing the five-year average cost of
16 education per student for this category, as determined by the superintendent
17 of public instruction, by the number of kindergarten students in average daily
18 membership in the district, times the per student payment provided for in
19 section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which~~
20 ~~represents the five year average cost of education per student in this~~
21 ~~category, as determined by the superintendent of public instruction.~~ The
22 payment provided for in this subsection is applicable only to the first
23 twenty-five students in average daily membership per classroom or per
24 teacher.

25 b. In order to receive the full per student payment available under this section, a
26 district must operate a kindergarten program that provides the equivalent of
27 ninety full days of classroom instruction during a twelve-month period. A
28 district is entitled to a prorated payment under this section if it operates a
29 kindergarten program of shorter duration.

30 ~~8.~~ 6. Each school district that educates students who are also enrolled in nonpublic
31 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 the 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
20 from their residences in order to attend another school, the weighting factor
21 provided under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five
22 percent ~~for the first fifteen students~~. If the school has fewer than fifteen students,
23 the payment 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 15.1-27-37 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.**

2 1. On or before October first of each year or within thirty days after the conclusion of
3 the negotiation process provided for in chapter 15.1-16, the board of a school
4 district may file a claim with the superintendent of public instruction for the
5 reimbursement of moneys to be expended by the district during the school year to
6 at least maintain the level of compensation provided to teachers employed by the
7 district during the ~~2002-03~~ preceding school year.

8 2. The claim must include:

9 a. The number of full-time equivalent teachers employed by the district as of
10 September fifteenth of the current school year;

11 b. The number of full-time equivalent teachers whose level of compensation will
12 be at least equal to that provided during the ~~2002-03~~ preceding school year;
13 and

14 c. The total amount of any compensation increases provided to full-time
15 equivalent teachers over the level of compensation provided during the
16 ~~2002-03~~ preceding school year.

17 3. a. ~~For the 2003-04 school year, the~~ The reimbursement provided for in this
18 section may not exceed three thousand dollars multiplied by the number of
19 full-time equivalent teachers employed by the district as of September 15,
20 ~~2003~~.

21 b. ~~For the 2004-05 school year, the reimbursement provided for in this section~~
22 ~~may not exceed three thousand dollars multiplied by the number of full-time~~
23 ~~equivalent teachers employed by the district as of September 15, 2004.~~

24 e. ~~For the 2003-04 school year, the~~ fifteenth of the current school year.

25 b. The reimbursement under this section for each individual employed as of
26 September 15, ~~2003~~ fifteenth of the current school year, as a full-time
27 equivalent teacher for the first school year since becoming licensed to teach
28 by the education standards and practices board or approved to teach by the
29 education standards and practices board, may not exceed one thousand
30 dollars.

- 1 d. ~~For the 2004-05 school year, the reimbursement under this section for each~~
2 ~~individual employed as of September 15, 2004, as a full time equivalent~~
3 ~~teacher for the first school year since becoming licensed to teach by the~~
4 ~~education standards and practices board or approved to teach by the~~
5 ~~education standards and practices board, may not exceed one thousand~~
6 ~~dollars.~~
- 7 4. For purposes of this section, the claim of a district may include proportionate
8 expenditures made by the district to compensate individuals employed as teachers
9 by the special education unit or the area career and technology center to which the
10 district belongs.
- 11 5. The superintendent of public instruction may adopt rules regarding claims for and
12 the payment of reimbursements under this section.

13 **SECTION 6. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15.1-27-39. Annual salary - Minimum amount.**

- 16 1. Beginning with the ~~2003-04~~ 2005-06 school year, the board of each school district
17 shall provide to each full-time teacher, under contract for a period of nine months,
18 a minimum salary level for the contract period equal to at least ~~twenty-one~~
19 twenty-two thousand dollars.
- 20 2. Beginning with the ~~2004-05~~ 2006-07 school year, the board of each school district
21 shall provide to each full-time teacher, under contract for a period of nine months,
22 a minimum salary level for the contract period equal to at least ~~twenty-one~~
23 twenty-two thousand five hundred dollars.

24 **SECTION 7. AMENDMENT.** Section 38 of chapter 667 of the 2003 Session Laws is
25 amended and reenacted as follows:

26 **SECTION 38. TEACHER COMPENSATION.**

- 27 1. During the ~~2003-05~~ 2005-07 biennium, the board of each school district shall use
28 an amount equal to at least seventy percent of all new moneys received for per
29 student payments under section 15.1-27-04 and tuition apportionment payments
30 under section 15.1-28-03 for the purpose of increasing the compensation paid to

- 1 teachers and for the purpose of providing compensation to teachers who begin
2 employment with the district ~~on or after July 1, 2003~~ June 30, 2005.
- 3 2. For purposes of this section, "new moneys" means any increase in the amount
4 received by a district for per student payments under section 15.1-27-04 and
5 tuition apportionment payments under section 15.1-28-03 between the ~~2001-03~~
6 2003-05 biennium and the ~~2003-05~~ 2005-07 biennium.
- 7 3. For purposes of this section, school districts providing educational services under
8 a cooperative agreement approved by the superintendent of public instruction are
9 treated as a single district.
- 10 4. a. The provisions of this section do not apply to a school district if the board of
11 the school district, after a public hearing at which public testimony and
12 documentary evidence are accepted, determines in its discretion and by an
13 affirmative vote of two-thirds of its members that complying with the
14 provisions of subsection 1 would place the school district in the position of
15 having insufficient fiscal resources to meet its other obligations.
- 16 b. Within ten days of the vote required by subdivision a, the board shall notify
17 the superintendent of public instruction of its action and shall file a report
18 detailing the grounds for its determination and action.
- 19 c. The superintendent of public instruction shall report all notices received under
20 this subsection to an interim committee designated by the legislative council.

21 **SECTION 8. TRANSPORTATION GRANTS - DISTRIBUTION.**

- 22 1. The superintendent of public instruction shall distribute from the grants - state
23 school aid line item in House Bill No. 1013, as approved by the fifty-ninth
24 legislative assembly, to each school district in the state an amount equal to fifty
25 percent of the state transportation block grants received by the school district
26 during the 2003-05 biennium.
- 27 2. The superintendent of public instruction shall distribute from the grants - state
28 school aid line item in House Bill No. 1013, as approved by the fifty-ninth
29 legislative assembly, an amount equal to fifty percent of the total state
30 transportation block grants received by all school districts during the 2003-05

1 biennium. The superintendent shall distribute the amount in the same manner that
2 per student payments are distributed under chapter 15.1-27.

3 3. During each year of the 2005-07 biennium, the superintendent of public instruction
4 shall distribute fifty percent of the payments required by subsections 1 and 2 to
5 school districts at the same time and in the same manner as required for state aid
6 payments under section 15.1-27-01.

7 **SECTION 9. CONTINGENT PAYMENTS - REORGANIZATION BONUS - ENGLISH**
8 **LANGUAGE LEARNERS - JOINT POWERS ASSOCIATIONS.** If any moneys appropriated for
9 per student payments and transportation payments in the grants-state school aid line item
10 contained in House Bill No. 1013 remain after payment of all statutory obligations for per
11 student and transportation payments during the biennium beginning July 1, 2005, and ending
12 June 30, 2007, the superintendent of public instruction shall distribute the remaining moneys as
13 follows:

14 1. The superintendent of public instruction shall use the first \$600,000 for the purpose
15 of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to the
16 school districts having reorganizations effective after June 30, 2005, and before
17 July 1, 2007, and for the purpose of providing reorganization bonus advanced
18 payments, pursuant to section 15.1-12-11.2, to school districts studying
19 reorganization during the biennium beginning July 1, 2005, and ending June 30,
20 2007. If insufficient moneys exist to fully meet the requirements of this section, the
21 superintendent of public instruction shall prorate the payments according to that
22 percentage of the amount available to which a school district is entitled. Any
23 money distributed under this section is in addition to any money otherwise
24 appropriated by the legislative assembly for the purpose of reorganization
25 bonuses.

26 2. The superintendent of public instruction shall use the next \$300,000 of the moneys
27 to provide additional payments to school districts serving English language
28 learners, in accordance with section 15.1-27-12.

29 3. The superintendent of public instruction shall use the next \$2,000,000 or so much
30 of that amount as is necessary, for the purpose of providing payments under 2005
31 Senate Bill No. 2168, as approved by the fifty-ninth legislative assembly, to

1 educational associations governed by joint powers agreements that the
2 superintendent of public instruction has verified as meeting the requirements of
3 section 15.1-07-28.

4 4. The superintendent of public instruction shall use the remainder of the moneys to
5 provide additional per student payments on a prorated basis, according to the
6 average daily membership of each school district during the 2006-07 school year.

7 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the
8 general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much
9 of the sum as may be necessary, to to the superintendent of public instruction for the purpose
10 of contracting to provide transportation efficiency training to school district personnel, for the
11 biennium beginning July 1, 2005, and ending June 30, 2007.