

**SECOND ENGROSSMENT
with Conference Committee Amendments**

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 create and enact a new section to chapter 15.1-07 of the North Dakota
2 Century Code, relating to educational association board reimbursement; to amend and reenact
3 sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29,
4 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11,
5 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03,
6 15.1-29-04, and 15.1-29-12 of the North Dakota Century Code and section 37 of chapter 667 of
7 the 2003 Session Laws, relating to school calendars, school boards, teacher qualifications,
8 school district dissolutions, the school district equalization factor, weighting factors,
9 supplemental payments, isolated schools, and tuition payments; to repeal sections 15.1-09-42,
10 15.1-12-11.1, and 15.1-12-11.2 of the North Dakota Century Code, relating to instructional
11 conferences and reorganization bonus payments; to provide for transportation grants; to
12 provide for contingent payments; to provide for teacher compensation; to provide for a report to
13 the legislative council; to provide an appropriation; and to provide an effective date.

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

15 **SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15.1-06-04. School calendar - Length.**

18 1. During each school year, a school district shall provide for a school calendar of at
19 least one hundred eighty days, apportioned as follows:

- 20 a. One hundred seventy-three full days of instruction;
- 21 b. Three holidays listed in subdivisions b through j of subsection 1 of section
22 15.1-06-02 and selected by the school board in consultation with district
23 teachers;

- 1 c. ~~Two days for the attendance of teachers at the North Dakota education~~
2 ~~association instructional conference; and~~
- 3 ~~e.~~ Up to two full days during which parent-teacher conferences are held or which
4 are deemed by the school board to be compensatory time for parent-teacher
5 conferences held outside regular school hours; and
- 6 d. Two days for professional development activities.
- 7 2. a. In meeting the requirements for two days of professional development
8 activities under subsection 1, a school district may require that its teachers
9 attend the North Dakota education association instructional conference and
10 may pay teachers for attending the conference, provided attendance is
11 verified.
- 12 b. In meeting the requirements for two days of professional development
13 activities under subsection 1, a school district may consider attendance at the
14 North Dakota education association instructional conference to be optional,
15 elect not to pay teachers for attending the instructional conference, and
16 instead direct any resulting savings toward providing alternate professional
17 development opportunities.
- 18 3. A school district may not require the attendance of teachers in school or at any
19 school-sponsored, school-directed, school sanctioned, or school related activities
20 and may not schedule classroom instruction time nor alternate professional
21 development activities on any day that conflicts with the North Dakota education
22 association instructional conference.
- 23 ~~2.~~ 4. A full day of instruction consists of:
- 24 a. At least five and one-half hours for elementary students, during which time
25 the students are required to be in attendance for the purpose of receiving
26 curricular instruction; and
- 27 b. At least six hours for high school students, during which time the students are
28 required to be in attendance for the purpose of receiving curricular instruction.
- 29 ~~3.~~ 5. If a school's calendar provides for an extension of each schoolday beyond the
30 statutorily required minimum number of hours, and if the extensions when
31 aggregated over an entire school year amount to more than eighty-four hours of

1 additional classroom instruction during the school year, the school is exempt from
2 having to make up six hours of instruction time lost as a result of weather-related
3 closure. In order to make up lost classroom instruction time beyond the six hours,
4 the school must extend its normal school calendar day by at least thirty minutes.

5 ~~4.~~ 6. A school that does not qualify under the provisions of subsection 3 must extend its
6 normal schoolday by at least thirty minutes to make up classroom instruction time
7 lost as a result of weather-related closure.

8 ~~5.~~ 7. If because of weather a school must dismiss before completing a full day of
9 instruction, the school is responsible for making up only those hours and portions
10 of an hour between the time of early dismissal and the conclusion of a full day of
11 classroom instruction.

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

14 **15.1-06-06. Approval of public and nonpublic schools.** Each public and nonpublic
15 school in this state offering elementary or secondary education to students must be approved
16 by the superintendent of public instruction. Except as otherwise provided by law, the
17 superintendent may not approve a school unless:

18 1. Each classroom teacher ~~holds a valid teaching certificate issued~~ is licensed to
19 teach by the education standards and practices board or approved to teach by the
20 education standards and practices board;

21 2. Each classroom teacher is teaching only in those course areas or fields for which
22 the teacher is licensed or for which the teacher has received an exception under
23 section 2 of House Bill No. 1076, as approved by the fifty-ninth legislative
24 assembly;

25 3. The students are offered all subjects required by law; and

26 ~~3.~~ 4. The school is in compliance with all local and state health, fire, and safety laws.

27 **SECTION 3. AMENDMENT.** Section 15.1-07-28 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15.1-07-28. Educational association - Joint powers agreement - Approval Review**
30 **by superintendent of public instruction - Criteria.** ~~If~~ Before school districts participating in
31 an educational association governed by a joint powers agreements under chapter 54-40.3 wish

1 ~~to agreement may receive reimbursement for expenses any moneys~~, as provided in section
2 15.1-27-40, ~~the school districts must request that the superintendent of public instruction~~
3 ~~approve their shall review the joint powers agreement. In order for the superintendent of public~~
4 ~~instruction to approve a joint powers agreement, the superintendent shall determine and~~
5 ~~annually and~~ verify that:

- 6 1. a. The participating school districts are contiguous; and
7 b. ~~(1) The participating in the agreement have:~~
8 a. A combined total land mass of the participating school districts exceeds four-
9 at least five thousand eight hundred square miles [4035995 1502193
10 hectares];
11 ~~(2) The~~
12 b. A combined total land mass of the participating school districts exceeds two
13 at least four thousand five hundred square miles [647497 1165494 hectares]
14 ~~and the participating school districts number at least six twelve; or~~
15 ~~(3) The~~
16 c. A combined total land mass of the participating school districts exceeds two
17 at least four thousand five hundred square miles [1035995 hectares] and the
18 total number of have at least three thousand students in average daily
19 membership in the participating school districts exceeds two thousand five
20 hundred.
- 21 2. ~~The joint powers agreement provides that a school district contiguous to any~~
22 ~~school district already participating in the joint powers agreement may become a~~
23 ~~participant in the agreement at any time.~~
- 24 3. ~~The joint powers agreement requires that the participating school districts agree to~~
25 ~~maintain a joint operating fund, agree to share administrative functions, or agree to~~
26 ~~implement various common requirements; provided that:~~
27 a. ~~If the participating school districts agree to establish a joint operating fund, the~~
28 ~~joint powers agreement must require that during the first school year following~~
29 ~~approval, the participating school districts shall establish a joint operating fund~~
30 ~~equal to at least two percent of the participating districts' total expenditures for~~
31 ~~the school year ending on the June thirtieth preceding the date of approval;~~

1 ~~during the second school year following approval, the participating school~~
2 ~~districts shall establish a joint operating fund equal to at least four percent of~~
3 ~~the participating districts' total expenditures for the school year ending on the~~
4 ~~June thirtieth preceding the date of approval; and during the fifth school year~~
5 ~~following approval, the participating school districts shall establish a joint~~
6 ~~operating fund equal to at least six percent of the participating districts' total~~
7 ~~expenditures for the school year ending on the June thirtieth preceding the~~
8 ~~date of approval;~~

9 b. ~~If the participating school districts agree to share administrative functions, the~~
10 ~~joint powers agreement must require that during the first school year following~~
11 ~~approval, all of the participating districts shall share in the administration of at~~
12 ~~least three services; during the third school year following approval, all of the~~
13 ~~participating districts shall share in the administration of at least five services;~~
14 ~~and during the fifth school year following approval, all of the participating~~
15 ~~districts shall share in the administration of at least seven services; and that~~
16 ~~the list from which the participating districts must select the services to be~~
17 ~~shared consists of:~~

- 18 (1) ~~Federal title program management;~~
- 19 (2) ~~Staff development;~~
- 20 (3) ~~Special education delivery;~~
- 21 (4) ~~Curriculum development or delivery;~~
- 22 (5) ~~Career and technical education delivery;~~
- 23 (6) ~~Student instructional support;~~
- 24 (7) ~~Media and technology;~~
- 25 (8) ~~Business management;~~
- 26 (9) ~~Distance learning;~~
- 27 (10) ~~Student counseling;~~
- 28 (11) ~~Food and nutrition;~~
- 29 (12) ~~Facility safety and health;~~
- 30 (13) ~~School accreditation and improvement; and~~
- 31 (14) ~~Transportation; and~~

- 1 e. ~~If the participating school districts agree to implement various common~~
2 ~~requirements, the joint powers agreement must require that during the first~~
3 ~~school year following approval, all of the participating districts shall implement~~
4 ~~at least three requirements; during the third school year following approval, all~~
5 ~~of the participating districts shall implement at least six requirements; and~~
6 ~~during the fifth school year following approval, all of the participating districts~~
7 ~~shall implement at least eight requirements; and that the list from which the~~
8 ~~participating districts must select the requirements to be implemented~~
9 ~~consists of:~~
- 10 ~~(1) A common school calendar;~~
 - 11 ~~(2) A common class schedule;~~
 - 12 ~~(3) A common intranet communication system;~~
 - 13 ~~(4) A common class registration process for grades seven through twelve;~~
 - 14 ~~(5) A common curriculum for each grade level from kindergarten through~~
15 ~~six;~~
 - 16 ~~(6) A common student data system;~~
 - 17 ~~(7) A common school improvement and staff development process;~~
 - 18 ~~(8) Common services, as set forth in a five year plan;~~
 - 19 ~~(9) A school facilities plan; and~~
 - 20 ~~(10) Joint funding of dual credit and advance placement courses.; or~~
- 21 d. A combined total land mass of at least one thousand five hundred square
22 miles [388498 hectares] and have at least seven thousand five hundred
23 students in average daily membership.
- 24 2. The school districts participating in the agreement are contiguous to each other or,
25 if the districts are not contiguous to each other, the superintendent of public
26 instruction shall verify that the participating districts can provide sound educational
27 opportunities to their students in a fiscally responsible manner without injuring
28 other school districts or educational associations governed by joint powers
29 agreements and without negatively impacting the ability of other school districts or
30 educational associations governed by joint powers agreements from providing
31 sound educational opportunities to their students in a fiscally responsible manner.

1 A decision by the superintendent of public instruction under this subsection may be
2 appealed to the state board of public school education. A decision by the state
3 board is final.

4 3. The joint powers agreement requires that the participating school districts maintain
5 a joint operating fund and share various administrative functions and student
6 services in accordance with subsection 4.

7 4. a. During the first two school years in which an educational association
8 governed by a joint powers agreement is operational, each of the participating
9 school districts shall share in at least two administrative functions and two
10 student services, selected by the district.

11 b. During the third and fourth school years in which an educational association
12 governed by a joint powers agreement is operational, each of the participating
13 school districts shall share in at least three administrative functions and three
14 student services, selected by the district.

15 c. During the fifth school year in which an educational association governed by a
16 joint powers agreement is operational, and each year thereafter, each
17 participating school district shall share at least five administrative functions
18 and five student services, selected by the district.

19 d. For purposes of this subsection:

20 (1) "Administrative functions" means:

21 (a) Business management;

22 (b) Career and technical education services management;

23 (c) Curriculum mapping or development;

24 (d) Data analysis;

25 (e) Federal program support;

26 (f) Federal title program management;

27 (g) Grant writing;

28 (h) School improvement;

29 (i) School safety and environment management;

30 (j) Special education services management;

31 (k) Staff development;

- 1 (l) Staff retention and recruitment;
2 (m) Staff sharing;
3 (n) Technology support; and
4 (o) Any other functions approved by the superintendent of public
5 instruction.
- 6 (2) Student services means:
- 7 (a) Advanced placement classes;
8 (b) Alternative high schools or alternative high school programs;
9 (c) Career and technical education classes;
10 (d) Counseling services;
11 (e) Common elementary curricula;
12 (f) Distance learning classes;
13 (g) Dual credit classes;
14 (h) Foreign language classes;
15 (i) Library and media services;
16 (j) Summer programs;
17 (k) Supplemental instruction programs; and
18 (l) Any other services approved by the superintendent of public
19 instruction.
- 20 e. For purposes of this subsection, if an educational association governed by a
21 joint powers agreement became operational before July 1, 2005, the 2005-06
22 school year must be considered the association's first year of operation.
- 23 5. The joint powers agreement provides:
- 24 a. Criteria for the future participation of school districts that were not parties to
25 the original joint powers agreement;
- 26 b. An application process by which school districts that were not parties to the
27 original joint powers agreement can become participating districts; and
- 28 c. A process by which school districts that were not parties to the original joint
29 powers agreement and whose application to participate in the agreement was
30 denied can appeal the decision to the superintendent of public instruction.

- 1 4. ~~6.~~ The joint powers agreement provides for the employment and compensation of a
2 chief administrator and other any staff necessary to carry out the provisions of the
3 agreement and the requirements of this ~~section and section 15.1-27-37~~ Act.
- 4 7. The joint powers agreement provides for a governing board that consists only of
5 individuals who serve on the boards of the participating school districts or
6 designees of the respective school board members, provided however that a joint
7 powers agreement may allow for the inclusion of ex officio nonvoting members on
8 the educational association's board.
- 9 8. The joint powers agreement provides that the board of the educational association
10 shall meet at least quarterly.
- 11 9. The joint powers agreement does not permit the educational association to
12 compensate members of the educational association board for attending meetings
13 of the board and that it does not permit the educational association to reimburse
14 members of the board for any expenses incurred in attending meetings of the
15 educational association board.

16 **SECTION 4.** A new section to chapter 15.1-07 of the North Dakota Century Code is
17 created and enacted as follows:

18 **Compensation - Reimbursement - Extraordinary service.** The board of an
19 educational association established under section 15.1-07-28 may provide compensation and
20 reimbursement to any board member who, at the direction of the board, performs extraordinary
21 service on behalf of the board. For purposes of this section, "extraordinary service" means
22 duties beyond those reasonably expected of members of the board and includes travel to and
23 attendance at national meetings or conventions.

24 **SECTION 5. AMENDMENT.** Section 15.1-09-01 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15.1-09-01. School board membership - Size and term adjustments.**

- 27 1. The board of a school district ~~is~~ must be composed of five, seven, or nine
28 members, ~~unless:~~
- 29 a. ~~The electors of the district increase the size of the board under this section;~~
- 30 b. ~~The size of the board was increased under a prior law; or~~

- 1 e. ~~The board, on July 1, 1971, was composed of more or fewer than five~~
2 ~~members, in which case the number of members must remain unchanged~~
3 ~~unless increased under this section.~~
- 4 2. The size of any a school ~~district~~ board may be increased to ~~either five, seven, or~~
5 nine members or decreased to seven or five members if a petition is signed by
6 qualified electors of the school district equal in number to at least one-third of
7 those who voted at the most recent annual school district election and the change
8 is approved by a majority of the qualified electors of the school district voting on
9 the question at a special election called for that purpose.
- 10 3. If a majority of the qualified voters in a school district elect to increase the size of
11 the school board, the additional members must be elected to the board at the next
12 annual school district election in the same manner as other board members.
- 13 a. ~~If the total number of board members after approval of the increase is five, the~~
14 ~~terms of two members extend until the first annual election, the terms of two~~
15 ~~members extend until the second annual election, and the term of the~~
16 ~~remaining member extends until the third annual election.~~
- 17 b. ~~If the total number of board members after approval of the increase is seven,~~
18 the terms of three members extend until the first annual election, the terms of
19 two members extend until the second annual election, and the terms of the
20 remaining two members extend until the third annual election.
- 21 e. b. If the total number of board members after approval of the increase is nine,
22 the terms of three members extend until the first annual election, the terms of
23 three members extend until the second annual election, and the terms of the
24 remaining three members extend until the third annual election.
- 25 e. c. The length of the terms specified in this ~~section~~ subsection must be
26 determined by lot.
- 27 e. d. All board members shall serve for the terms specified in this ~~section~~
28 subsection and until their successors are elected and qualified.
- 29 f. e. The length of any term in existence before the increase in board membership
30 and held by a board member who is duly qualified may not be modified.

- 1 ~~g.~~ f. Terms subsequent to the first term are for the normal period of three years
2 and extend until a successor is elected and qualified.
- 3 4. If on July 1, 2005, the board of any school district contains only three members,
4 the board must be increased to five members and the additional members must be
5 elected at the next annual school district election, in the same manner as other
6 board members. The initial term of one additional member must be one year and
7 the initial term of the other additional member must be two years. The length of
8 the terms specified in this subsection must be determined by lot. Thereafter, the
9 size of the board may be increased in accordance with subsections 2 and 3.
- 10 ~~5.~~ 6. The voters of a school district shall elect school board members at large. If,
11 however, the district has been reorganized, board members may be elected at
12 large, by geographical area, or at large by geographical area.
- 13 ~~5.~~ 6. An election on a reorganization proposal takes the place of the petition and
14 election requirements of this section. Approval of the reorganization proposal has
15 the same effect as if the approval were by the election provided for in this section.
- 16 ~~6.~~ 7. If the qualified electors of a district approve a reduction in the size of the school
17 board, the excess number of members will serve out existing terms until the
18 number approved by the electors has been reached.
- 19 ~~7.~~ 8. If the board of a school district has elected to convert its members' terms to four
20 years and has also increased the number of its board members, the board by lot or
21 by some other random selection method shall provide for a combination of initial
22 terms of office not to exceed four years for the new members. The combination
23 must equalize to the greatest extent possible the number and length of terms for
24 old board members and for new members to be elected during the next three
25 election years. The members' terms must be staggered and must expire in
26 even-numbered years.
- 27 ~~8.~~ 9. Notwithstanding the provisions of this section, the board of education of the city of
28 Fargo consists of nine members.

29 **SECTION 6. AMENDMENT.** Section 15.1-12-26 of the North Dakota Century Code is
30 amended and reenacted as follows:

31 **15.1-12-26. Dissolution of school district - Grounds.**

- 1 1. A county committee shall initiate proceedings to dissolve a school district and
2 attach the property to other operating high school districts when it is notified in
3 writing by the county superintendent of schools whose jurisdiction includes the
4 administrative headquarters of the district that:
 - 5 a. The district is financially unable to effectively and efficiently educate its
6 students;
 - 7 b. The district has not operated a school as required by section 15.1-12-24; or
 - 8 c. A school board has determined that dissolution is in the best interest of its
9 students.
- 10 2. Except as provided in subsection 3, a county committee shall initiate proceedings
11 under section 15.1-12-27 to attach real property to an operating high school district
12 when it is notified in writing by the county superintendent that:
 - 13 a. Real property has been severed from its school district by the expansion of a
14 city and the severed portion is not contiguous with its district; or
 - 15 b. There exists real property that does not belong to a school district.
- 16 3. If a school district reorganization plan which does not include all real property in a
17 district is approved by the electors, the county committee shall, within forty-five
18 days after the election, hold a hearing under section ~~15.1-12-29~~ 15.1-12-27 to
19 attach the remaining property to one or more operating high school districts.
- 20 4. Receipt of notice by a county committee under this section:
 - 21 a. Renders an annexation petition involving any real property in the district void,
22 unless the annexation has already been approved by the state board; and
 - 23 b. Prohibits the acceptance of a new annexation petition involving any real
24 property in the district until all dissolution proceedings have been completed.
- 25 5. One or more annexation petitions may not be used to annex all of the real property
26 in a school district to surrounding school districts.

27 **SECTION 7. AMENDMENT.** Section 15.1-12-27 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15.1-12-27. Dissolution of school district - Notice - Hearing - Order of attachment.**

- 30 1. The county superintendent shall schedule and give notice of a public hearing
31 regarding the dissolution of the district and the subsequent attachment of the

- 1 property to other high school districts. The county superintendent shall publish the
2 notice in the official newspaper of each county that encompasses property in the
3 dissolving district and in the official newspaper of each county that encompasses
4 property in a high school district adjacent to the dissolving district, at least fourteen
5 days before the date of the hearing. The county superintendent shall provide
6 notice of the public hearing to the business manager of each high school district
7 adjacent to the dissolving district.
- 8 2. At the hearing, the board of the dissolving district may propose a particular manner
9 of dissolution.
- 10 3. The county committee shall consider testimony and documentary evidence
11 regarding:
- 12 a. The value and amount of property held by the dissolving school district;
13 b. The amount of all outstanding bonded and other indebtedness;
14 c. The distribution of property and assets among the high school districts to
15 which the dissolved district is attached;
16 d. The taxable valuation of the dissolving district and adjacent high school
17 districts and the taxable valuation of adjacent high school districts under the
18 proposed manner of dissolution;
19 e. The size, geographical features, and boundaries of the dissolving district and
20 of adjacent high school districts;
21 f. The number of students in the dissolving district and in adjacent high school
22 districts;
23 g. The general population of the dissolving district and adjacent high school
24 districts;
25 h. Each school in the dissolving district and in adjacent high school districts,
26 including its name, location, condition, accessibility, and the grade levels it
27 offers;
28 i. The location and condition of roads, highways, and natural barriers in the
29 dissolving district and in adjacent high school districts;
30 j. Conditions affecting the welfare of students in the dissolving district and in
31 adjacent high school districts;

- 1 k. The boundaries of other governmental entities;
- 2 l. The educational needs of communities in the dissolving district and in
- 3 adjacent high school districts;
- 4 m. Potential savings in school district transportation and administrative services;
- 5 n. The anticipated future use of the dissolving districts' buildings, sites, and
- 6 playfields;
- 7 o. The potential for a reduction in per student valuation disparities between the
- 8 high school districts to which the dissolved district is attached;
- 9 p. The potential to equalize or increase the educational opportunities for
- 10 students from the dissolving district and for students in adjacent high school
- 11 districts; and
- 12 q. All other relevant factors.
- 13 4. After the hearing, the county committee shall make findings of fact. Subject to final
- 14 approval by the state board, the county committee may order the district dissolved
- 15 and its real property attached to one or more contiguous, operating high school
- 16 districts.
- 17 5. Any property ordered attached under this section must have at least one minor
- 18 residing within its boundaries.
- 19 6. The county superintendent shall forward all minutes, records, documentary
- 20 evidence, and other information regarding the dissolution proceeding together with
- 21 a copy of the county committee's order to the state board for final approval of the
- 22 dissolution. The state board shall publish notice of its meeting at which it will
- 23 consider the dissolution, in the official newspapers of the counties required for
- 24 publication under subsection 1, at least fourteen days before the meeting.
- 25 7. The order of dissolution becomes effective July first following approval by the state
- 26 board, unless the county committee provides for a different effective date.
- 27 8. If the boundaries of the dissolving school district cross county lines, the proceeding
- 28 to dissolve the district must be conducted jointly by the county committees
- 29 representing counties containing twenty-five percent or more of the dissolving
- 30 district's taxable valuation. If, after the hearing, a majority of the county
- 31 committees are unable to agree upon an order of dissolution and attachment, the

1 county superintendent of the county in which the administrative headquarters of
2 the dissolving school district is located shall notify the state board. The state board
3 shall conduct a public hearing, as required in this section, and order the dissolution
4 of the district and the attachment of its real property to adjacent high school
5 districts in the manner it deems appropriate. The state board shall publish notice
6 of the public hearing in the official newspapers of the counties required for
7 publication under subsection 1, at least fourteen days before the date of the
8 hearing.

9 9. If any portion of the order providing for the attachment of real property is
10 suspended or voided, the order of dissolution is likewise suspended or voided.

11 **SECTION 8. AMENDMENT.** Section 15.1-12-29 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **15.1-12-29. Dissolution of school district - Unobligated cash balance - Tax credits**
14 **or refunds.**

15 1. ~~Any~~ After ten thousand dollars is set aside, as required by section 15.1-12-28, and
16 after the required amount is deposited in the reimbursement account for job
17 service North Dakota, as required by section 15.1-12-28.1, any remaining
18 unobligated cash balance in excess of ten thousand dollars, up to an amount
19 equaling a dissolved school district's general fund expenditure for the last school
20 year before the district's dissolution is a credit for real property owners within the
21 boundaries of the dissolved school district, against taxes levied by the district ~~in to~~
22 which their property is now situated. ~~The county auditor shall base the credit on~~
23 ~~the five-year average of the total mills levied for education by the dissolved district~~
24 attached. If property from the dissolved district is attached to more than one
25 school district, the percentage of the total credit that to which each eligible real
26 property owners receive must be owner is entitled must equal the same
27 ~~percentage of the unobligated cash balance as the~~ that the taxable valuation of the
28 individual's real property bears to the total taxable valuation of the dissolved
29 district's property at the time of the attachment order.

30 2. Upon approval of the board of county commissioners, any school district required
31 to provide a tax credit under subsection 1 may provide a cash refund in lieu of the

1 tax credit. At the request of the county auditor, the school district holding the
2 unobligated cash balance available under subsection 1 shall pay to the county
3 treasurer the amount to be paid to those who own real property within the
4 dissolved district. The treasurer shall issue the refund to the owner of the property
5 as shown on the county's assessment list at the time of payment. If there is a lien
6 for unpaid taxes against the property, the treasurer shall first apply the property
7 owner's tax credit toward any outstanding balance. Any amount remaining may
8 then be paid to the property owner. The cash refunds must be calculated
9 proportionately to the total taxable value of the dissolved district during the last
10 year taxes were levied.

11 3. After the requirements of subsection 1 have been met, the county auditor shall
12 distribute any remaining unobligated cash balance among the school districts to
13 which the real property of the dissolved district was attached. The percentage of
14 the remaining unobligated cash balance to which each school district is entitled
15 equals that percentage of the dissolved district's total taxable valuation which was
16 attached to the receiving school district.

17 **SECTION 9. AMENDMENT.** Section 15.1-18-07 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **15.1-18-07. (Effective after June 30, 2006) Elementary school teacher**
20 **qualifications.**

- 21 1. In order to teach any grade ~~from one through six~~ in an elementary school that
22 offers grades one through six, or in order to teach any grade in an elementary
23 school that offers grades one through eight, an individual must be licensed:
24 a. Licensed to teach by the education standards and practices board or
25 approved to teach by the education standards and practices board; and:
26 a- b. (1) Have a major in elementary education; or
27 b- (2) Have a major equivalency in elementary education.
28 2. Notwithstanding the provisions of subsection 1, an individual may teach any grade
29 from one through three in an elementary school provided the individual is ~~licensed~~;
30 a. Licensed to teach by the education standards and practices board or
31 approved to teach by the education standards and practices board; and:

- 1 a. b. (1) Has a major in early childhood education; or
2 b. (2) Has a major equivalency in early childhood education.
3 ~~3. In order to teach any grade from one through eight in a self-contained classroom,~~
4 ~~an individual must be licensed to teach by the education standards and practices~~
5 ~~board and:~~
6 a. ~~Have a major in elementary education; or~~
7 b. ~~Have a major equivalency in elementary education.~~

8 **SECTION 10. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **15.1-22-01. Kindergarten - Establishment by board - ~~Petition for establishment~~**
11 **Request by parent - Levy.**

- 12 1. Upon its own motion, the board of a school district may establish a free public
13 kindergarten ~~for the instruction during a school year of resident children below~~
14 ~~school age.~~
15 2. If the board receives a ~~petition signed by qualified electors residing in the district~~
16 ~~equal in number to at least twenty percent of those who voted in the most recent~~
17 ~~annual school district election, the board must submit the question of establishing~~
18 ~~a kindergarten to the electorate at the next annual or special school district~~
19 ~~election. The margins of electoral approval provided in section 57-15-14 must be~~
20 ~~applied~~ written request to provide kindergarten from the parent of a student who
21 will be enrolled in the kindergarten, the board shall either provide at least a
22 half-day kindergarten program for the student or pay the tuition required for the
23 student to attend at least a half-day kindergarten program in another school
24 district.
25 3. The board of a school district that establishes a kindergarten under this section
26 may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

27 **SECTION 11. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **15.1-27-04. Per student payment.** The per student payment to which each school
30 district is entitled for the first year of the biennium is two thousand ~~five~~ seven hundred ~~nine~~
31 sixty-five dollars. The per student payment to which each school district is entitled for the

1 second year of the biennium is two thousand ~~six~~ eight hundred ~~twenty-three~~ seventy-nine
2 dollars. The per student amount is the basis for calculating state payments to school districts,
3 as provided in sections 15.1-27-06 and 15.1-27-07.

4 **SECTION 12. AMENDMENT.** Section 15.1-27-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15.1-27-05. (Effective through June 30, 2008) School district equalization factor.**

- 7 1. To determine the amount of payments due a school district, the superintendent of
8 public instruction shall add the tuition apportionment payments, per student
9 payments, special education aid, transportation aid, and teacher compensation
10 payments for which a school district is eligible and from that total subtract the
11 following:
- 12 a. The product of ~~thirty-six~~ thirty-eight mills times the taxable valuation of
13 property in the district;
 - 14 b. The amount by which the unobligated general fund balance of the district on
15 the preceding June thirtieth is in excess of fifty percent of its actual
16 expenditures, plus twenty thousand dollars; and
 - 17 c. If the mills levied by the district for general fund purposes, plus the mills levied
18 for high school transportation and high school tuition purposes are fewer than
19 one hundred forty, the number of mills by which the district's levies are below
20 one hundred forty multiplied by the taxable valuation of property in the district.
- 21 2. Beginning July 1, 2006, and each year thereafter, the number of mills used by the
22 superintendent of public instruction in determining the product required by
23 subdivision a of subsection 1 must be increased by ~~two~~ three over the number of
24 mills used in determining the product required by that subdivision the previous
25 year.

26 **(Effective after June 30, 2008) School district equalization factor.**

- 27 1. To determine the amount of payments due a school district, the superintendent of
28 public instruction shall add the tuition apportionment payments, per student
29 payments, special education aid, transportation aid, and teacher compensation
30 payments for which a school district is eligible and from that total subtract the
31 following:

- 1 a. The product of the number of mills prescribed in subsection 2 times the
- 2 taxable valuation of property in the district;
- 3 b. The amount by which the unobligated general fund balance of the district on
- 4 the preceding June thirtieth is in excess of forty-five percent of its actual
- 5 expenditures, plus twenty thousand dollars; and
- 6 c. If the mills levied by the district for general fund purposes, plus the mills levied
- 7 for high school transportation and high school tuition purposes are fewer than
- 8 one hundred forty, the number of mills by which the district's levies are below
- 9 one hundred forty multiplied by the taxable valuation of property in the district.
- 10 2. The number of mills used by the superintendent of public instruction in determining
- 11 the product required by subdivision a of subsection 1 must be increased by ~~two~~
- 12 three over the number of mills used in determining the product required by that
- 13 subdivision the previous year.

14 **SECTION 13. 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
- 25 cost of education per student for this category, as determined by the
- 26 superintendent of public instruction, by the number of students in grades nine
- 27 through twelve who are registered in that district, times the per student payment
- 28 provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which~~
- 29 ~~represents the five year average cost of education per student in this category, as~~
- 30 ~~determined by the superintendent of public instruction.~~

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

- 1 ~~5-~~ 4. Each district having an approved alternative high school education program is
2 entitled to receive the amount of money that results from multiplying the factor in:
3 a. Subsection 1 by the number of students registered in the alternative
4 education program, times the per student payment provided for in section
5 15.1-27-04, if fewer than ~~seventy-five~~ one hundred twenty students in
6 average daily membership are enrolled in the alternative education program.
7 b. Subsection 2 by the number of students registered in the alternative
8 education program, times the per student payment provided for in section
9 15.1-27-04, if at least ~~seventy-five~~ one hundred twenty but fewer than ~~one~~
10 three hundred fifty students in average daily membership are enrolled in the
11 alternative education program.
12 c. Subsection 3 by the number of students registered in the alternative
13 education program, times the per student payment provided for in section
14 15.1-27-04, if at least ~~one~~ three hundred fifty but fewer than ~~five hundred fifty~~
15 students in average daily membership are enrolled in the alternative
16 education program.
17 ~~d. Subsection 4 by the number of students registered in the alternative~~
18 ~~education program, times the per student payment provided for in section~~
19 ~~15.1-27-04, if at least five hundred fifty students in average daily membership~~
20 ~~are enrolled in the alternative education program.~~
- 21 ~~6-~~ 5. In order to be eligible for enumeration under this section, a student:
22 a. Must have completed the work of the eighth grade;
23 b. Must not have completed the work of the twelfth grade; and
24 c. Must be a resident of this state or a nonresident attending a school in this
25 state under the auspices of a foreign student exchange program.
- 26 6. In calculating payments under this section and subsections 1 through 4 of section
27 15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that
28 represents the lowest five-year average cost of education among all elementary
29 and high school weighting categories other than kindergarten and shall use
30 proportionately increased factors to represent the five-year average cost of
31 education in all remaining weighting categories except kindergarten.

1 **SECTION 14. AMENDMENT.** Section 15.1-27-07 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15.1-27-07. Per student payments - Weighting factors - Elementary school**

4 **students.** The superintendent of public instruction shall make payments each year, as
5 provided for in this section, to each school district operating an elementary school and to each
6 school district contracting to educate elementary students in a federal school, subject to
7 adjustment as provided in section 15.1-27-21.

- 8 ~~1. a. Each district having only a one-room rural school is entitled to receive the~~
9 ~~amount of money that results from multiplying the factor 1.28 adjusted by~~
10 ~~eighty five percent of the difference between 1.28 and the factor representing~~
11 ~~the five year average cost of education per student for this category, as~~
12 ~~determined by the superintendent of public instruction, by the number of~~
13 ~~students in average daily membership in grades one through eight in that~~
14 ~~school, times the per student payment provided for in section 15.1-27-04.~~
15 ~~Beginning July 1, 2004, the factor is that which represents the five year~~
16 ~~average cost of education per student in this category, as determined by the~~
17 ~~superintendent of public instruction. The payment level provided for in this~~
18 ~~subdivision is applicable only to the first sixteen students.~~
- 19 ~~b. If the one-room rural school has more than sixteen students in average daily~~
20 ~~membership in grades one through eight, the district in which the school is~~
21 ~~located is entitled to receive ninety percent of the per student payment~~
22 ~~provided for in section 15.1-27-04 for each additional student. The district is~~
23 ~~not entitled to any payment for more than twenty students in average daily~~
24 ~~membership.~~
- 25 ~~c. If a one-room rural school is located in a district having another elementary~~
26 ~~school, the weighting factor for the students in grades one through six must~~
27 ~~be based on the average daily membership in the district in grades one~~
28 ~~through six, as provided in this section.~~
- 29 ~~d. If a one-room rural school is located in a school district with another school~~
30 ~~that has students in grade seven or eight, the weighting factor for the students~~
31 ~~in grade seven or eight must be the same as that provided for in subsection 5.~~

- 1 ~~2.~~ 1. ~~Except as provided in subsection 1, each~~ Each school district having fewer than
2 one hundred students in average daily membership in grades one through six is
3 entitled to receive the amount of money that results from multiplying the factor ~~4.09~~
4 ~~adjusted by eighty five percent of the difference between 1.09 and the factor~~
5 representing the five-year average cost of education per student for this category,
6 as determined by the superintendent of public instruction, by the number of
7 students in average daily membership in grades one through six in the district,
8 times the per student payment provided for in section 15.1-27-04. ~~Beginning~~
9 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~
10 ~~education per student in this category, as determined by the superintendent of~~
11 ~~public instruction. The payment provided for in this subsection is applicable only to~~
12 ~~the first twenty five students in average daily membership per classroom or per~~
13 ~~teacher.~~
- 14 ~~3.~~ 2. Each school district having at least one hundred students ~~but fewer than one~~
15 ~~thousand students~~ in average daily membership in grades one through six is
16 entitled to receive the amount of money that results from multiplying the factor ~~.905~~
17 ~~adjusted by eighty five percent of the difference between .905 and the factor~~
18 representing the five-year average cost of education per student for this category,
19 as determined by the superintendent of public instruction, by the number of
20 students in average daily membership in grades one through six in the district,
21 times the per student payment provided for in section 15.1-27-04. ~~Beginning~~
22 ~~July 1, 2004, the factor is that which represents the five-year average cost of~~
23 ~~education per student in this category, as determined by the superintendent of~~
24 ~~public instruction. The payment provided for in this subsection is applicable only to~~
25 ~~the first thirty students in average daily membership per classroom or per teacher.~~
- 26 4. Each school district having at least one thousand students in average daily
27 membership in grades one through six is entitled to receive the amount of money
28 that results from multiplying the factor ~~.95~~ adjusted by eighty five percent of the
29 ~~difference between .95 and the factor representing the five-year average cost of~~
30 ~~education per student for this category, as determined by the superintendent of~~
31 ~~public instruction, by the number of students in average daily membership in~~

1 ~~grades one through six in the district, times the per student payment provided for in~~
2 ~~section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the~~
3 ~~five-year average cost of the education per student in this category, as determined~~
4 ~~by the superintendent of public instruction. The payment provided for in this~~
5 ~~subsection is applicable only to the first thirty students in average daily~~
6 ~~membership per classroom or per teacher.~~

7 ~~5.~~ 3. Each school district having students in grades seven and eight is entitled to
8 receive the amount of money that results from multiplying the factor 4.01 ~~adjusted~~
9 ~~by eighty five percent of the difference between 1.01 and the factor~~ representing
10 the five-year average cost of education per student for this category, as
11 determined by the superintendent of public instruction, by the number of students
12 in average daily membership in grades seven and eight in the district, times the
13 per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004,~~
14 ~~the factor is that which represents the five-year average cost of education per~~
15 ~~student in this category, as determined by the superintendent of public instruction.~~
16 The payment provided for in this subsection is applicable only to the first thirty
17 students in average daily membership per classroom or per teacher. ~~The~~
18 ~~payments provided for in this subsection are not available for students who attend~~
19 ~~a one-room rural school if that school is the only one in the district that offers~~
20 ~~educational services to students in grades seven and eight.~~

21 ~~6.~~ 4. Each school district having a special education program approved by the director
22 of special education is entitled to receive, for each student who is enrolled in the
23 program and who is at least three years of age but less than the compulsory age
24 for school attendance, the amount of money that results from multiplying the factor
25 ~~4.01 adjusted by eighty five percent of the difference between 1.01 and the factor~~
26 representing the five-year average cost of education per student for this category,
27 as determined by the superintendent of public instruction, by the number of special
28 education students in average daily membership in the program who are at least
29 three years of age but less than the compulsory age for school attendance, times
30 the per student payment provided for in section 15.1-27-04. ~~Beginning July 1,~~
31 ~~2004, the factor is that which represents the five-year average cost of education~~

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

3 ~~7.~~ 5. a. Each school district operating a kindergarten as provided for in section
4 15.1-22-02 is entitled to receive the amount of money that results from
5 multiplying the factor ~~.50 adjusted by eighty five percent of the difference~~
6 ~~between .50 and the factor~~ representing the five-year average cost of
7 education per student for this category, as determined by the superintendent
8 of public instruction, by the number of kindergarten students in average daily
9 membership 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~~
11 ~~represents the five year average cost of education per student in this~~
12 ~~category, as determined by the superintendent of public instruction.~~ The
13 payment provided for in this subsection is applicable only to the first
14 twenty-five students in average daily membership per classroom or per
15 teacher.

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

21 ~~8.~~ 6. Each school district that educates students who are also enrolled in nonpublic
22 schools is entitled to receive proportionate payments under this section.

23 ~~9.~~ 7. Each school district is entitled to receive as much in total payments for elementary
24 students as it would have received if it had the highest number of students in the
25 next lower category.

26 ~~10.~~ 8. A school district is not entitled to any payments provided for by this chapter unless
27 each teacher employed by the district:

28 a. Holds a teaching license issued by the education standards and practices
29 board; or

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

1 9. In calculating payments under subsections 1 through 4 and under section
2 15.1-27-06, the superintendent of public instruction shall use 1.0 as the factor that
3 represents the lowest five-year average cost of education among the 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 15. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15.1-27-11. High school districts - Supplemental payments.**

- 10 1. The superintendent of public instruction shall calculate the average valuation of
11 property per student by dividing the number of students in average daily
12 membership in grades one through twelve in a high school district into the sum of:
13 a. The district's latest available net assessed and equalized taxable valuation of
14 property; plus
15 b. All tuition payments and county ~~and unrestricted federal~~ revenue received by
16 the district, divided by the total of the district's general fund levy, high school
17 transportation levy, and high school tuition levy.
- 18 2. ~~If the~~ The superintendent of public instruction shall verify that:
19 a. The quotient arrived at under subsection 1 is less than the latest available
20 statewide average taxable valuation per student and if the;
21 b. The district's educational expenditure per student is below the most recent
22 available statewide average cost of education per student;
23 c. The district has a general fund levy of at least one hundred eighty mills; and
24 d. The district's unobligated general fund balance on the preceding June thirtieth
25 is not in excess of thirty-five percent of its actual expenditures, plus twenty
26 thousand dollars.
- 27 3. If the superintendent of public instruction determines that the district meets all the
28 requirements of subsection 2, the superintendent of public instruction shall:
29 a. Determine the difference between the latest available statewide average
30 taxable valuation per student and the average taxable valuation per student in
31 the high school district;

- 1 b. Multiply the result determined under subdivision a by the number of students
2 in average daily membership in grades one through twelve in the high school
3 district;
- 4 c. Multiply the result determined under subdivision b by the number of general
5 fund mills levied by the district in excess of one hundred fifty, provided that
6 any mills levied by the district which are in excess of two hundred ten may not
7 be used in this calculation; and
- 8 d. Multiply the result determined under subdivision c by a factor calculated by
9 the superintendent of public instruction to result in the expenditure, over the
10 course of the biennium, of the full amount provided for the purpose of this
11 section.
- 12 e- 4. The result of the calculations under this section is the supplemental payment to
13 which a high school district is entitled, in addition to any other amount provided
14 under chapter 15.1-27.

15 **SECTION 16. 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 17. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-27-35. Average daily membership - Calculation.** Average daily membership is
2 calculated by adding the total number of days that each student in a given classroom, school,
3 or school district is in attendance during a school calendar and the total number of days that
4 each student in a given classroom, school, or school district is absent during a school calendar,
5 and then dividing the sum by one hundred eighty. For purposes of calculating average daily
6 membership, all students are deemed to be in attendance on:

- 7 1. The three holidays listed in subdivisions b through j of subsection 1 of section
8 15.1-06-02 and selected by the school board in consultation with district teachers;
- 9 2. The two days set aside for ~~the attendance of teachers at the North Dakota~~
10 ~~education association instructional conference~~ professional development activities
11 under section 15.1-06-04; and
- 12 3. The two full days, or portions thereof, during which parent-teacher conferences are
13 held or which are deemed by the board of the district to be compensatory time for
14 parent-teacher conferences held outside regular school hours.

15 **SECTION 18. AMENDMENT.** Section 15.1-27-37 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.**

- 18 1. On or before October first of each year or within thirty days after the conclusion of
19 the negotiation process provided for in chapter 15.1-16, the board of a school
20 district may file a claim with the superintendent of public instruction for the
21 reimbursement of moneys to be expended by the district during the school year to
22 at least maintain the level of compensation provided to teachers employed by the
23 district during the ~~2002-03~~ preceding school year.
- 24 2. The claim must include:
 - 25 a. The number of full-time equivalent teachers employed by the district as of
26 September fifteenth of the current school year;
 - 27 b. The number of full-time equivalent teachers whose level of compensation will
28 be at least equal to that provided during the ~~2002-03~~ preceding school year;
 - 29 and

- 1 c. The total amount of any compensation increases provided to full-time
2 equivalent teachers over the level of compensation provided during the
3 ~~2002-03~~ preceding school year.
- 4 3. a. ~~For the 2003-04 school year, the~~ The reimbursement provided for in this
5 section may not exceed three thousand dollars multiplied by the number of
6 full-time equivalent teachers employed by the district as of September ~~15,~~
7 ~~2003.~~
- 8 b. ~~For the 2004-05 school year, the reimbursement provided for in this section~~
9 ~~may not exceed three thousand dollars multiplied by the number of full time~~
10 ~~equivalent teachers employed by the district as of September 15, 2004.~~
- 11 e. ~~For the 2003-04 school year, the~~ fifteenth of the current school year.
- 12 b. The reimbursement under this section for each individual employed as of
13 September ~~15, 2003~~ fifteenth of the current school year, as a full-time
14 equivalent teacher for the first school year since becoming licensed to teach
15 by the education standards and practices board or approved to teach by the
16 education standards and practices board, may not exceed one thousand
17 dollars.
- 18 d. ~~For the 2004-05 school year, the reimbursement under this section for each~~
19 ~~individual employed as of September 15, 2004, as a full time equivalent~~
20 ~~teacher for the first school year since becoming licensed to teach by the~~
21 ~~education standards and practices board or approved to teach by the~~
22 ~~education standards and practices board, may not exceed one thousand~~
23 ~~dollars.~~
- 24 4. For purposes of this section, the claim of a district may include proportionate
25 expenditures made by the district to compensate individuals employed as teachers
26 by the special education unit or the area career and technology center to which the
27 district belongs.
- 28 5. The superintendent of public instruction may adopt rules regarding claims for and
29 the payment of reimbursements under this section.

30 **SECTION 19. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-27-39. Annual salary - Minimum amount.**

2 1. Beginning with the ~~2003-04~~ 2005-06 school year, the board of each school district
3 shall provide to each full-time teacher, under contract for a period of nine months,
4 a minimum salary level for the contract period equal to at least ~~twenty-one~~
5 twenty-two thousand dollars.

6 2. Beginning with the ~~2004-05~~ 2006-07 school year, the board of each school district
7 shall provide to each full-time teacher, under contract for a period of nine months,
8 a minimum salary level for the contract period equal to at least ~~twenty-one~~
9 twenty-two thousand five hundred dollars.

10 **SECTION 20. AMENDMENT.** Section 15.1-27-40 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15.1-27-40. Approved joint powers agreement - Reimbursement by**
13 **superintendent of public instruction Report of expenses.**

14 1. ~~The individual employed as a chief administrator for the purpose of carrying out the~~
15 ~~provisions of a joint powers agreement and any requirements under section~~
16 ~~15.1-07-27 shall~~ executive director of an educational association governed by a
17 joint powers agreement which the superintendent of public instruction has verified
18 as meeting the requirements of section 15.1-07-28 shall annually submit to the
19 superintendent of public instruction, at the time and in the manner designated by
20 the superintendent, ~~receipts for expenses incurred during a school year in~~
21 ~~delivering services and programs under section 15.1-07-27.~~

22 2. ~~The superintendent of public instruction, upon verifying the receipts, shall~~
23 ~~reimburse the chief administrator of the joint powers agreement for any expenses~~
24 ~~incurred in delivering services and programs under the auspices of the joint~~
25 ~~powers agreement as provided in section 15.1-07-27. The reimbursement may not~~
26 ~~exceed the lesser of:~~

27 a. ~~The total expenses incurred in delivering services and programs under~~
28 ~~section 15.1-07-27; or~~

29 b. ~~Fifty thousand dollars.~~

1 3. ~~The chief administrator~~ a report detailing all expenses incurred by the educational
2 association and shall attribute the expenses on a per student basis by participating
3 school district.

4 2. The executive director shall deposit any moneys received under subsection 2 in
5 the participating districts' by or on behalf of the association into the educational
6 association's joint operating fund.

7 4. ~~The superintendent of public instruction may not provide any reimbursement to a~~
8 ~~chief administrator under this section unless the joint powers agreement under~~
9 ~~which the services and programs are delivered has been approved by the~~
10 ~~superintendent.~~

11 **SECTION 21. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third
14 Monday in each January, February, March, April, August, September, October, November, and
15 December, the office of management and budget shall certify to the superintendent of public
16 instruction the amount of the state tuition fund. The superintendent shall apportion the fund
17 among the school districts of the state in proportion to the number of school-age children
18 residing in each district, as shown by the latest enumeration provided for by law and pay the
19 amount apportioned to each school district. The superintendent shall make the payments
20 required by this section at the same time as the per student payments required under chapter
21 15.1-27.

22 **SECTION 22. AMENDMENT.** Section 15.1-29-03 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **15.1-29-03. Education of students in other districts - Payment of tuition and**
25 **transportation.**

26 1. After taking into account the best interests of all affected parties, the board of a
27 school district may elect to send its students to another school district. In this
28 instance, the board ~~may~~ shall pay for the students' tuition for the students and
29 transportation. The board may arrange, and when petitioned to do so by qualified
30 electors of the district equal in number to at least a majority of those who voted in

1 the most recent annual school district election shall arrange, with other boards to
2 send students to the other districts and to pay for their tuition and transportation.
3 2. If a district does not provide educational services to an entire grade level, the
4 students in that grade level may attend a public school of their choice outside their
5 district of residence without going through the procedures outlined in section
6 15.1-29-05. The board of the students' school district of residence shall pay for the
7 students' tuition to the admitting district and transportation. For purposes of
8 determining whether educational services are provided to an entire grade level,
9 districts cooperating with each other in the joint provision of educational services
10 under a plan approved by the superintendent of public instruction are considered
11 to be a single district.

12 **SECTION 23. AMENDMENT.** Section 15.1-29-04 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **15.1-29-04. Payment of tuition and transportation by sending districts - Interest**
15 **on late payments.** ~~If a school board approves the payment of~~ the board of a school district
16 agrees to pay tuition for a student attending school in another district or if a district under this
17 chapter, if it is required to make pay tuition payments under the provisions of this chapter, or if
18 it is required to pay tuition and transportation under this chapter, the board of the sending
19 district shall pay at least fifty percent of the annual tuition charge to the admitting district on or
20 before December thirty-first and any remaining amount on or before May thirty-first. If payment
21 is not received by the admitting district within thirty days after the date on which payment is
22 due, simple interest at the rate of six percent per annum accrues to any amount due.

23 **SECTION 24. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15.1-29-12. Tuition payments - Determination.**

26 1. Except as provided in section 15.1-29-13, a school district sending a student to
27 another district for purposes of education shall pay the full cost of education
28 incurred by the admitting district.
29 2. a. The admitting district shall determine the cost of education per student for its
30 kindergarten, elementary, and high school students on the basis of its

- 1 average daily membership and those expenditures permitted in determining
2 the cost of education per student in section 15.1-27-03.
- 3 b. To the cost of education per student, the admitting district shall add the latest
4 available statewide average per student cost for extracurricular activities and
5 the state average capital outlay per student. The state average capital outlay
6 per student is determined by dividing the total of all school districts' annual
7 expenditures for sinking and interest funds, tax receipts to the building funds,
8 and general fund expenditures for capital outlay by the average daily
9 membership of the state.
- 10 c. The admitting district shall subtract the following from the amount arrived at
11 under subdivision b:
- 12 (1) The weighted per student payment received by the admitting district,
13 less the average amount per North Dakota resident student enrolled in
14 the school district realized from the deductions applied under section
15 15.1-27-06; and
- 16 (2) Any credit for taxes paid to the admitting district by the student's parent.
- 17 d. The amount remaining is the full cost of education incurred by the admitting
18 district and the tuition amount payable for the individual student.
- 19 ~~3. If the student's school district of residence and the student's parent are both paying~~
20 ~~tuition, the credit allowed under subdivision c of subsection 2 for taxes paid to the~~
21 ~~admitting district by the student's parent must be proportionately credited to the~~
22 ~~student's district of residence and the student's parent.~~
- 23 ~~4. This chapter does not affect the right of a school board to charge and collect tuition~~
24 ~~from students who are not residents of this state, in accordance with section~~
25 ~~15.1-29-02.~~

26 **SECTION 25. TRANSPORTATION GRANTS - DISTRIBUTION.**

- 27 1. During each year of the 2005-07 biennium, the superintendent of public instruction
28 shall distribute from the grants - state school aid line item in House Bill No. 1013,
29 as approved by the fifty-ninth legislative assembly, fifty percent of \$33,500,000 as
30 state transportation aid payments.

- 1 2. a. During the first year of the biennium, the superintendent of public instruction
2 shall calculate the payment to which each school district is entitled based on
3 the state transportation formula as it existed on June 30, 2001, except that
4 the superintendent shall provide reimbursement for in-city mileage at the rate
5 of fifty cents for schoolbuses having a capacity of ten or more students and
6 reimbursement for vehicles having a capacity of nine or fewer students and
7 transporting students who live outside the incorporated limits of a city at the
8 rate of forty cents per mile. The superintendent of public instruction shall use
9 the latest available student enrollment count in each school district.
- 10 b. During the second year of the biennium, the superintendent of public
11 instruction shall distribute to each school district the same amount that the
12 district received under this section for transportation services provided during
13 the first year of the biennium.
- 14 3. If insufficient moneys exist to fully meet the requirements of this section, the
15 superintendent of public instruction shall prorate the payments according to the
16 percentage of the total amount to which each school district is entitled.
- 17 4. Nothing in this section permits reimbursement for any costs incurred in providing
18 transportation for student attendance at extracurricular activities or events.

19 **SECTION 26. AMENDMENT.** Section 37 of chapter 667 of the 2003 Session Laws is
20 amended and reenacted as follows:

21 **SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION.** If any moneys
22 appropriated for per student payments and transportation payments in the grants - state
23 school aid line item in Senate Bill No. 2013 remain after payment of all statutory
24 obligations for per student and transportation payments during the biennium beginning
25 July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall
26 distribute the remaining moneys as follows:

- 27 1. The superintendent of public instruction shall use the first \$119,190, or so
28 much of that amount as may be necessary, for the purpose of reimbursing
29 eligible school districts that received reduced amounts of state aid. For the
30 purposes of this subsection, an eligible school district is one that received a
31 reduction in state aid during the second year of the 2003-05 biennium

1 because the district's general fund levy fell below one hundred forty mills as
2 the result of a reorganization or the dissolution of a contiguous district. The
3 following affected districts listed are entitled to receive reimbursements:

4	<u>Velva 1</u>	<u>\$24,355</u>
5	<u>TGU 60</u>	<u>93,514</u>
6	<u>Lewis and Clark</u>	<u>1,321</u>

7 2. The superintendent of public instruction shall return the next \$759,000 to the
8 state general fund.

9 3. The superintendent of public instruction shall use the ~~first~~ next \$250,000, or
10 so much of that amount as ~~is~~ may be necessary, for the purpose of providing
11 reimbursements to the chief administrators of joint powers agreements
12 pursuant to section 19 of this Act.

13 ~~2.~~ 4. The superintendent of public instruction shall use the next \$1,000,000, or so
14 much of that amount as ~~is~~ may be necessary, for the purpose of providing
15 reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts
16 having reorganizations effective after July 1, 2003, and before July 1, 2005. If
17 insufficient moneys exist to fully meet the requirements of this subsection, the
18 superintendent of public instruction shall prorate the payments according to
19 that percentage of the amount available to which a school district is entitled.

20 ~~3.~~ 5. The superintendent of public instruction shall use the remainder of the
21 moneys to provide additional per student payments on a prorated basis,
22 according to the average daily membership of each school district during the
23 2004-05 school year.

24 **SECTION 27. CONTINGENCY - RETURN OF MONEYS TO THE GENERAL FUND.**

25 If any moneys appropriated for per student payments and transportation payments in the grants
26 - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative
27 assembly, remain after payment of all statutory obligations for per student and transportation
28 payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and if
29 section 26 of this Act does not become effective before July 1, 2005, the superintendent of
30 public instruction shall return the first \$759,000 to the state general fund.

1 **SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments
2 and transportation payments in the grants - state school aid line item in House Bill No. 1013, as
3 approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations
4 for per student and transportation payments during the biennium beginning July 1, 2005, and
5 ending June 30, 2007, and after the superintendent of public instruction has fulfilled any
6 directives contained in section 27 of this Act, the superintendent shall distribute the remaining
7 moneys as follows:

- 8 1. The superintendent of public instruction shall use the first \$450,000, or so much of
9 that amount as may be necessary, to provide additional payments to school
10 districts serving English language learners in accordance with section 15.1-27-12.
- 11 2. The superintendent of public instruction shall use the next \$1,000,000, or so much
12 of that amount as may be necessary, for the purpose of providing additional per
13 student payments to school districts participating in eligible educational
14 associations in accordance with section 32 of this Act.
- 15 3. The superintendent of public instruction shall use the remainder of the moneys to
16 provide additional per student payments on a prorated basis according to the latest
17 available average daily membership of each school district.

18 **SECTION 29. CONTINGENCY PAYMENTS - TEACHER COMPENSATION -**
19 **ADDITIONAL PER STUDENT PAYMENTS.** If any moneys appropriated by the legislative
20 assembly to the grants - teacher compensation line item in House Bill No. 1013, as approved
21 by the fifty-ninth legislative assembly, remain after completion of all statutory obligations, the
22 superintendent of public instruction shall use the remaining moneys to provide additional per
23 student payments on a prorated basis, according to the latest available average daily
24 membership of each school district.

25 **SECTION 30. TEACHER COMPENSATION - USE OF NEW MONEYS.**

- 26 1. During the 2005-07 biennium, the board of each school district shall use an
27 amount equal to at least seventy percent of all new moneys received for per
28 student payments under section 15.1-27-04 and tuition apportionment payments
29 under section 15.1-28-03 for the purpose of increasing the compensation paid to
30 teachers and for the purpose of providing compensation to teachers who begin
31 employment with the district on or after July 1, 2005.

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

19 **SECTION 31. REPORT TO LEGISLATIVE COUNCIL - EDUCATIONAL**

20 **ASSOCIATIONS GOVERNED BY JOINT POWERS AGREEMENTS.** At the conclusion of
21 each school year during the 2005-07 biennium, the superintendent of public instruction shall
22 compile a report covering the operations of each educational association governed by a joint
23 powers agreement and verified by the superintendent of public instruction as meeting the
24 requirements of section 15.1-07-28. The report must include the administrative functions and
25 student services in which members of each educational association participated and the direct
26 and indirect benefits of such participation. The report must specifically address whether school
27 district participation resulted in expanded course offerings, improved state and national test
28 results, administrative consolidations, instructional sharing, increased or improved professional
29 development opportunities, and cost-savings to each school district. The superintendent of
30 public instruction shall present the reports to an interim committee designated by the legislative
31 council.

1 **SECTION 32. APPROPRIATION - ELIGIBLE EDUCATIONAL ASSOCIATIONS.**

- 2 1. There is appropriated out of any moneys in the general fund in the state treasury,
3 not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may
4 be necessary, to the superintendent of public instruction for the purpose of
5 providing payments to school districts that are members of eligible educational
6 associations, for the biennium beginning July 1, 2005, and ending June 30, 2007.
- 7 2. a. During June 2006 the superintendent of public instruction shall distribute
8 seventy-five percent of the money appropriated under subsection 1 to eligible
9 school districts on a per student basis. The total amount to which a school
10 district is entitled under this subdivision may not exceed the amount
11 expended by the school district during the 2005-06 school year to participate
12 in an eligible educational association.
- 13 b. During June 2007 the superintendent of public instruction shall distribute the
14 remaining money appropriated under subsection 1 to eligible school districts
15 on a per student basis. The total amount to which a school district is entitled
16 under this subdivision may not exceed the amount expended by the school
17 district during the 2006-07 school year to participate in an eligible educational
18 association.
- 19 3. For purposes of this section, an "eligible educational association" is one that is
20 governed by a joint powers agreement that the superintendent of public instruction
21 has verified as meeting the requirements of section 15.1-07-28.

22 **SECTION 33. APPROPRIATION - REORGANIZATION BONUSES - CONTINGENCY.**

23 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
24 appropriated, the sum of \$759,000, or so much of the sum as may be necessary, to the
25 superintendent of public instruction for the purpose of providing a reorganization bonus to any
26 school district having a reorganization effective on July 1, 2005, pursuant to section
27 15.1-12-11.1, for the biennium beginning July 1, 2005, and ending June 30, 2007. If any
28 moneys remain after the superintendent of public instruction completes the payment of
29 bonuses for any reorganization effective on July 1, 2005, the superintendent shall use the
30 remaining moneys to provide additional per student payments on a prorated basis, according to
31 the latest available average daily membership of each school district.

1 **SECTION 34. APPROPRIATION - TRANSPORTATION EFFICIENCY TRAINING.**

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

7 **SECTION 35. APPROPRIATION.** There is appropriated out of any moneys in the
8 general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, or so much
9 of the sum as may be necessary, to the superintendent of public instruction for the purpose of
10 providing additional per student payments, for the biennium beginning July 1, 2005, and ending
11 June 30, 2007.

12 **SECTION 36. REPEAL.** Section 15.1-09-42 of the North Dakota Century Code is
13 repealed.

14 **SECTION 37. REPEAL.** Section 15.1-12-11.1 of the North Dakota Century Code is
15 repealed.

16 **SECTION 38. REPEAL.** Section 15.1-12-11.2 of the North Dakota Century Code is
17 repealed.

18 **SECTION 39. EFFECTIVE DATE.** Sections 1, 17, and 36 of this Act become effective
19 on July 1, 2006, and section 38 of this Act becomes effective on December 31, 2005.