

**SECOND ENGROSSMENT  
with Conference Committee Amendments**

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 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           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           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.