

Introduced by

Senators Schaible, Davison, Rust

Representatives Owens, Schreiber-Beck

1 A BILL for an Act to amend and reenact section 15.1-27-04.1 of the North Dakota Century
2 Code, relating to the determination of state aid payable to school districts; to provide for a
3 legislative management study; and to provide an appropriation.

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

5 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

8 1. To determine the amount of state aid payable to each district, the superintendent of
9 public instruction shall establish each district's baseline funding. A district's baseline
10 funding consists of:

- 11 a. All state aid received by the district in accordance with chapter 15.1-27 during the
12 2012-13 school year;
- 13 b. The district's 2012-13 mill levy reduction grant, as determined in accordance with
14 chapter 57-64, as it existed on June 30, 2013;
- 15 c. An amount equal to that raised by the district's 2012 general fund levy or that
16 raised by one hundred ten mills of the district's 2012 general fund levy, whichever
17 is less;
- 18 d. An amount equal to that raised by the district's 2012 long-distance learning and
19 educational technology levy;
- 20 e. An amount equal to that raised by the district's 2012 alternative education
21 program levy; and
- 22 f. An amount equal to seventy-five percent of the revenue received by the school
23 district during the 2012-13 school year for the following revenue types:

- 1 (1) ~~Seventy-five percent of all revenue received by the school district~~
2 and Revenue reported under code 2000 of the North Dakota school district
3 financial accounting and reporting manual, as developed by the
4 superintendent of public instruction in accordance with section 15.1-02-08;
- 5 (2) ~~Seventy-five percent of all mineral~~ Mineral revenue received by the school
6 district through direct allocation from the state treasurer and not reported
7 under code 2000 of the North Dakota school district financial accounting
8 and reporting manual, as developed by the superintendent of public
9 instruction in accordance with section 15.1-02-08;
- 10 (3) ~~Seventy-five percent of all tuition received by the school district and~~ Tuition
11 reported under code 1300 of the North Dakota school district financial
12 accounting and reporting manual, as developed by the superintendent of
13 public instruction in accordance with section 15.1-02-08, with the exception
14 of revenue received specifically for the operation of an educational program
15 provided at a residential treatment facility and tuition received for the
16 provision of an adult farm management program;
- 17 (4) ~~Seventy-five percent of all revenue received by the school district~~ Revenue
18 from payments in lieu of taxes on the distribution and transmission of
19 electric power;
- 20 (5) ~~Seventy-five percent of all revenue received by the school district~~ Revenue
21 from payments in lieu of taxes on electricity generated from sources other
22 than coal;
- 23 (6) ~~All revenue received by the school district from mobile home taxes;~~
- 24 (7) ~~Seventy-five percent of all revenue received by the school district~~ Revenue
25 from the leasing of land acquired by the United States for which
26 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 27 (8) ~~All telecommunications~~ and
- 28 g. An amount equal to the total revenue received by the school district during the
29 2012-13 school year for the following revenue types:
 - 30 (1) Mobile home tax revenue;
 - 31 (2) Telecommunications tax revenue received by the school district; and

1 ~~(9)(3)~~ (3) All revenue received by the school district Revenue from payments in lieu of
2 taxes and state reimbursement of the homestead credit and disabled
3 veterans credit.

4 2. The superintendent shall divide the district's total baseline funding by the district's
5 2012-13 weighted student units to determine the district's baseline funding per
6 weighted student unit.

7 3. a. In ~~2017-18~~2019-20, the superintendent shall multiply the district's weighted
8 student units by nine thousand ~~six~~eight hundred ~~forty-six~~thirty-nine dollars.

9 (1) The superintendent shall adjust the product to ensure the product is at least
10 equal to the greater of:

11 (a) One hundred eight percent of the district's baseline funding per
12 weighted student unit, as established in subsection 2, multiplied by
13 the district's weighted student units from the previous school year; or

14 (b) ~~One hundred percent of the~~The district's baseline funding as
15 established in subsection 1.

16 (2) The superintendent also shall adjust the product to ensure the product does
17 not exceed one hundred ~~forty~~forty-five percent of the district's baseline
18 funding per weighted student unit multiplied by the district's weighted
19 student units from the previous school year, as established in subsection 2.

20 b. In ~~2018-19~~2020-21 and each school year thereafter, the superintendent shall
21 multiply the district's weighted student units by ~~nineteen~~nineteen thousand ~~six hundred~~
22 ~~forty-six~~thirty-six dollars.

23 (1) The superintendent shall adjust the product to ensure the product is at least
24 equal to the greater of:

25 (a) One hundred eight percent of the district's baseline funding per
26 weighted student unit, as established in subsection 2, multiplied by
27 the greater of the district's weighted student units from the previous
28 school year or the current school year, with the product of this
29 calculation reduced by five percent in 2020-21 and fifteen percent
30 each year thereafter; or

1 appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the
2 department of public instruction for the purpose of providing rapid enrollment grants to school
3 districts, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding
4 provided in this section is considered a one-time funding item. The superintendent of public
5 instruction shall award rapid enrollment grants to eligible districts only during the first year of the
6 2019-21 biennium based on the following criteria:

- 7 1. A district is eligible to receive a grant under this section if the number of students
8 reflected in the district's September tenth enrollment report exceeds the number of
9 students in the prior year September tenth enrollment report. The increase must be at
10 least four percent or one hundred fifty students and must be at least twenty students.
- 11 2. The superintendent of public instruction shall calculate the amount to which an eligible
12 district is entitled as follows:
 - 13 a. Determine the actual percentage increase in the number of students and subtract
14 two from the percentage calculated;
 - 15 b. Determine the number of students represented by the difference determined in
16 subdivision a of this subsection;
 - 17 c. Multiply the number of students determined in subdivision b of this subsection by
18 \$4,000.
- 19 3. If the amount of the appropriation provided for in this section is insufficient to meet the
20 obligations of this subsection, the superintendent of public instruction shall prorate the
21 payment based on the percentage of the total amount to which each school district is
22 entitled.
- 23 4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
24 eligible to receive a grant under this section.

25 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the
26 legislative management shall consider studying minimum and maximum payments to school
27 districts included in the state school aid formula, including how school districts could be
28 transitioned from the minimum and maximum payments and the effects on school districts of
29 transitioning from the minimum and maximum payments. The legislative management shall
30 report its findings and recommendations, together with any legislation required to implement the
31 recommendations, to the sixty-seventh legislative assembly.