

Sixty-sixth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2265

Introduced by

Senators Schaible, Davison, Rust

Representatives Owens, Schreiber-Beck

1 A BILL for an Act to create and enact a new section to chapter 15.1-02 and section 15.1-27-04.3
 2 of the North Dakota Century Code, relating to state school aid local property tax effort and
 3 credentialing of title I certified teachers and coordinators; to amend and reenact sections
 4 15.1-06-04, 15.1-07-34, 15.1-27-03.1~~and~~, 15.1-27-04.1, 15.1-27-35, 15.1-29-02.1, 15.1-29-12,
 5 and 57-15-14.2 of the North Dakota Century Code, relating to teacher professional development
 6 days in the school calendar, youth behavioral health training, the determination of weighted
 7 average daily membership~~and~~, state aid payable to school districts, the calculation of average
 8 daily membership, a cross-border attendance contract with South Dakota, the determination of
 9 tuition payments, and school district levies; to provide for a legislative management study; to
 10 provide an appropriation; ~~and~~ to provide an effective date~~dates;~~ and to provide an expiration
 11 date.

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

13 **SECTION 1.** A new section to chapter 15.1-02 of the North Dakota Century Code is created
 14 and enacted as follows:

15 **Credentials for teachers and coordinators of title I.**

16 The superintendent of public instruction shall create a process to reinstate and recertify
 17 title I credentials for individuals in the state who held a valid certification, issued by the
 18 department of public instruction, as of July 1, 2018. A school district may advertise employment
 19 for a title I certified teacher each year until the position is filled. The board of a school district
 20 may authorize the hiring of a teacher who is not certified as a title I teacher for the school year if
 21 the school district fails to receive applications from qualified applicants to fill the advertised
 22 position by July 1.

23 **SECTION 2. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is
 24 amended and reenacted as follows:

15.1-06-04. School calendar - Length.

1. A school district shall provide for a school calendar that includes:
 - a. At least ~~one hundred seventy five days~~ nine hundred sixty-two and one-half hours of instruction for elementary school students and one thousand fifty hours of instruction for middle and high school students;
 - b. Three holidays, as selected by the board ~~in consultation with district teachers~~ from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
 - c. No more than two days for:
 - (1) Parent-teacher conferences; or
 - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
 - d. At least ~~two~~ three days of professional development.
2. a. A For the first two days of professional development required by subsection 1, a day of professional development must consist of:
 - (1) Six hours of professional development, exclusive of meals and other breaks, conducted within a single day;
 - (2) Six hours of cumulative professional development conducted under the auspices of a professional learning community; or
 - (3) Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
- b. If a school district offers a four-hour period of professional development, as permitted in this subsection, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subdivision does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
3. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

- 1 4. For purposes of this section, a full day of instruction consists of:
 - 2 a. At least five and one-half hours for kindergarten and elementary students, during
 - 3 which time the students are required to be in attendance for the purpose of
 - 4 receiving curricular instruction; and
 - 5 b. At least six hours for high school students, during which time the students are
 - 6 required to be in attendance for the purpose of receiving curricular instruction.

7 5. Any school district intending to operate under a four-day week must file and be
8 approved for a waiver with the superintendent of public instruction.

9 **SECTION 3. AMENDMENT.** Section 15.1-07-34 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15.1-07-34. Provision of youth behavioral health training to teachers, administrators,**
12 **and ancillary staff.**

- 13 1. Every two years, each school district shall provide a minimum of eight hours of
14 professional development on youth behavioral health to elementary, middle, and high
15 school teachers, and administrators. Each school district shall encourage ancillary and
16 support staff to participate in the professional development. Based on the annual
17 needs assessment of the school district, these hours must be designated from the
18 following categories:
 - 19 a. Trauma;
 - 20 b. Social and emotional learning, including resiliency;
 - 21 c. Suicide prevention;
 - 22 d. Bullying;
 - 23 e. Understanding of the prevalence and impact of youth behavioral health wellness
 - 24 on family structure, education, juvenile services, law enforcement, and health
 - 25 care and treatment providers;
 - 26 f. Knowledge of behavioral health symptoms, and risks;
 - 27 g. Awareness of referral sources and evidence-based strategies for appropriate
 - 28 interventions; ~~or~~
 - 29 h. Other evidence-based strategies to reduce risk factors for students; or
 - 30 i. Current or new evidence-based behavior prevention or mitigation techniques.

- 1 | 2. Each school district shall report the professional development hours to the department
- 2 | of public instruction.
- 3 | 3. The superintendent of public instruction shall collaborate with regional education
- 4 | associations to disseminate information, training materials, and notice of training
- 5 | opportunities to school districts and nonpublic schools.

6 | **SECTION 4. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is
7 | amended and reenacted as follows:

8 | **15.1-27-03.1. Weighted average daily membership - Determination.**

- 9 | 1. For each school district, the superintendent of public instruction shall multiply by:
 - 10 | a. 1.00 the number of full-time equivalent students enrolled in an extended
 - 11 | educational program in accordance with section 15.1-32-17;
 - 12 | b. 0.60 the number of full-time equivalent students enrolled in a summer education
 - 13 | program, including a migrant summer education program;
 - 14 | c. 0.40 the number of full-time equivalent students who:
 - 15 | (1) On a test of English language proficiency approved by the superintendent of
 - 16 | public instruction are determined to be least proficient and placed in the first
 - 17 | of six categories of proficiency; and
 - 18 | (2) Are enrolled in a program of instruction for English language learners;
 - 19 | d. 0.28 the number of full-time equivalent students who:
 - 20 | (1) On a test of English language proficiency approved by the superintendent of
 - 21 | public instruction are determined to be more proficient than students placed
 - 22 | in the first of six categories of proficiency and therefore placed in the second
 - 23 | of six categories of proficiency; and
 - 24 | (2) Are enrolled in a program of instruction for English language learners;
 - 25 | e. 0.25 the number of full-time equivalent students under the age of twenty-one
 - 26 | enrolled in grades nine through twelve in an alternative high school;
 - 27 | f. 0.20 the number of full-time equivalent students enrolled in a home-based
 - 28 | education program and monitored by the school district under chapter 15.1-23;
 - 29 | g. 0.17 the number of full-time equivalent students enrolled in an early childhood
 - 30 | special education program;

- 1 h. 0.15 the number of full-time equivalent students in grades six through eight
2 enrolled in an alternative education program for at least an average of fifteen
3 hours per week;
- 4 i. 0.10 the number of students enrolled in average daily membership, if the district
5 has fewer than one hundred students enrolled in average daily membership and
6 the district consists of an area greater than two hundred seventy-five square
7 miles [19424.9 hectares], provided that any school district consisting of an area
8 greater than six hundred square miles [155399 hectares] and enrolling fewer than
9 fifty students in average daily membership must be deemed to have an
10 enrollment equal to fifty students in average daily membership;
- 11 j. 0.082 the number of students enrolled in average daily membership, in order to
12 support the provision of special education services;
- 13 k. 0.07 the number of full-time equivalent students who:
- 14 (1) On a test of English language proficiency approved by the superintendent of
15 public instruction are determined to be more proficient than students placed
16 in the second of six categories of proficiency and therefore placed in the
17 third of six categories of proficiency;
- 18 (2) Are enrolled in a program of instruction for English language learners; and
- 19 (3) Have not been in the third of six categories of proficiency for more than
20 three years;
- 21 l. 0.025 the number of students representing that percentage of the total number of
22 students in average daily membership which is equivalent to the three-year
23 average percentage of students in grades three through eight who are eligible for
24 free or reduced lunches under the Richard B. Russell National School Lunch Act
25 [42 U.S.C. 1751 et seq.]; and
- 26 m. 0.002 the number of students enrolled in average daily membership in a school
27 district that is a participating member of a regional education association meeting
28 the requirements of chapter 15.1-09.1.; and
- 29 n. ~~1.000.50~~ the number of students by which the district's September tenth
30 enrollment report exceeds the number of students in the prior year's average
31 daily membership; and

1 ~~o. For districts paid based on September tenth enrollment in the prior year, 1.00 the~~
2 ~~number of students determined by deducting the number of students in the prior~~
3 ~~year's September tenth enrollment from the prior year's average daily~~
4 ~~membership. If the prior year's September tenth enrollment exceeds the prior~~
5 ~~year's average daily membership, then a deduction of 1.00 the number of excess~~
6 ~~students.~~

7 2. The superintendent of public instruction shall determine each school district's weighted
8 average daily membership by adding the products derived under subsection 1 to the
9 district's average daily membership.

10 **SECTION 5. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15.1-27-03.1. Weighted average daily membership - Determination.**

- 13 1. For each school district, the superintendent of public instruction shall multiply by:
- 14 a. 1.00 the number of full-time equivalent students enrolled in an extended
15 educational program in accordance with section 15.1-32-17;
 - 16 b. 0.60 the number of full-time equivalent students enrolled in a summer education
17 program, including a migrant summer education program;
 - 18 c. 0.40 the number of full-time equivalent students who:
 - 19 (1) On a test of English language proficiency approved by the superintendent of
20 public instruction are determined to be least proficient and placed in the first
21 of six categories of proficiency; and
 - 22 (2) Are enrolled in a program of instruction for English language learners;
 - 23 d. 0.28 the number of full-time equivalent students who:
 - 24 (1) On a test of English language proficiency approved by the superintendent of
25 public instruction are determined to be more proficient than students placed
26 in the first of six categories of proficiency and therefore placed in the second
27 of six categories of proficiency; and
 - 28 (2) Are enrolled in a program of instruction for English language learners;
 - 29 e. 0.25 the number of full-time equivalent students under the age of twenty-one
30 enrolled in grades nine through twelve in an alternative high school;

- 1 f. 0.20 the number of full-time equivalent students enrolled in a home-based
2 education program and monitored by the school district under chapter 15.1-23;
- 3 g. 0.17 the number of full-time equivalent students enrolled in an early childhood
4 special education program;
- 5 h. 0.15 the number of full-time equivalent students in grades six through eight
6 enrolled in an alternative education program for at least an average of fifteen
7 hours per week;
- 8 i. 0.10 the number of students enrolled in average daily membership, if the district
9 has fewer than one hundred students enrolled in average daily membership and
10 the district consists of an area greater than two hundred seventy-five square
11 miles [19424.9 hectares], provided that any school district consisting of an area
12 greater than six hundred square miles [155399 hectares] and enrolling fewer than
13 fifty students in average daily membership must be deemed to have an
14 enrollment equal to fifty students in average daily membership;
- 15 j. 0.082 the number of students enrolled in average daily membership, in order to
16 support the provision of special education services;
- 17 k. 0.07 the number of full-time equivalent students who:
- 18 (1) On a test of English language proficiency approved by the superintendent of
19 public instruction are determined to be more proficient than students placed
20 in the second of six categories of proficiency and therefore placed in the
21 third of six categories of proficiency;
- 22 (2) Are enrolled in a program of instruction for English language learners; and
- 23 (3) Have not been in the third of six categories of proficiency for more than
24 three years;
- 25 l. 0.025 the number of students representing that percentage of the total number of
26 students in average daily membership which is equivalent to the three-year
27 average percentage of students in grades three through eight who are eligible for
28 free or reduced lunches under the Richard B. Russell National School Lunch Act
29 [42 U.S.C. 1751 et seq.];

1 m. 0.002 the number of students enrolled in average daily membership in a school
2 district that is a participating member of a regional education association meeting
3 the requirements of chapter 15.1-09.1; ~~and~~

4 n. ~~0.50~~ 0.60 the number of students by which the district's September tenth
5 enrollment report exceeds the number of students in the prior year's average
6 daily membership increasing the factor annually by 0.10, not to exceed 1.00; and

7 o. For districts paid based on September tenth enrollment in the prior year, 0.50 the
8 number of students determined by deducting the number of students in the prior
9 year's September tenth enrollment from the prior year's average daily
10 membership, increasing the factor annually by 0.10, not to exceed 1.00. If the
11 prior year's September tenth enrollment exceeds the prior year's average daily
12 membership, then a deduction of 0.50 the number of excess students, increasing
13 the factor annually by 0.10, not to exceed 1.00.

14 2. The superintendent of public instruction shall determine each school district's weighted
15 average daily membership by adding the products derived under subsection 1 to the
16 district's average daily membership.

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

19 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

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

23 a. All state aid received by the district in accordance with chapter 15.1-27 during the
24 ~~2012-13~~ 2018-19 school year;

25 b. ~~The district's 2012-13 mill levy reduction grant, as determined in accordance with~~
26 ~~chapter 57-64, as it existed on June 30, 2013;~~

27 ~~c.~~ An amount equal to that raised by the district's 2012 general fund levy or that
28 raised by one hundred ten mills of the district's 2012 general fund levy, whichever
29 is less the property tax deducted by the superintendent of public instruction to
30 determine the 2018-19 state aid payment;

1 ~~_____d. An amount equal to that raised by the district's 2012 long-distance learning and~~
2 ~~educational technology levy;~~

3 ~~_____e. An amount equal to that raised by the district's 2012 alternative education-~~
4 ~~program levy; and~~

5 f.c. An amount equal to seventy-five percent of the revenue received by the school
6 district during the ~~2012-13~~2017-18 school year for the following revenue types:

7 (1) ~~Seventy-five percent of all revenue received by the school district~~
8 ~~and~~Revenue reported under code 2000 of the North Dakota school district
9 financial accounting and reporting manual, as developed by the
10 superintendent of public instruction in accordance with section 15.1-02-08;

11 (2) ~~Seventy-five percent of all mineral~~Mineral revenue received by the school
12 district through direct allocation from the state treasurer and not reported
13 under code 2000 of the North Dakota school district financial accounting
14 and reporting manual, as developed by the superintendent of public
15 instruction in accordance with section 15.1-02-08;

16 (3) ~~Seventy-five percent of all tuition received by the school district and~~Tuition
17 reported under code 1300 of the North Dakota school district financial
18 accounting and reporting manual, as developed by the superintendent of
19 public instruction in accordance with section 15.1-02-08, with the exception
20 of revenue received specifically for the operation of an educational program
21 provided at a residential treatment facility and tuition received for the
22 provision of an adult farm management program;

23 (4) ~~Seventy-five percent of all revenue received by the school district~~Revenue
24 from payments in lieu of taxes on the distribution and transmission of
25 electric power;

26 (5) ~~Seventy-five percent of all revenue received by the school district~~Revenue
27 from payments in lieu of taxes on electricity generated from sources other
28 than coal;

29 (6) ~~All revenue received by the school district from mobile home taxes;~~

- 1 (7) ~~Seventy-five percent of all revenue received by the school district~~Revenue
2 from the leasing of land acquired by the United States for which
3 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 4 (8) ~~All telecommunications and~~
5 g.d. An amount equal to the total revenue received by the school district during the
6 2012-132017-18 school year for the following revenue types:
- 7 (1) Mobile home tax revenue;
8 (2) Telecommunications tax revenue received by the school district; and
9 (9)(3) ~~All revenue received by the school district~~Revenue from payments in lieu of
10 taxes and state reimbursement of the homestead credit and disabled
11 veterans credit.
- 12 2. The superintendent shall divide the district's total baseline funding by the district's
13 ~~2012-132017-18~~ weighted student units to determine the district's baseline funding per
14 weighted student unit.
- 15 3. a. ~~In 2017-18~~For the 2019-20 school year, the superintendent shall ~~multiply~~
16 ~~the~~calculate state aid as the greater of:
- 17 (1) The district's weighted student units multiplied by nine thousand sixeight
18 hundred forty-sixthirty-nine dollars.
- 19 ~~(1) The superintendent shall adjust the product to ensure the product is at least~~
20 ~~equal to the greater of:~~
- 21 (a)~~(1)(2)~~One hundred ~~eight~~one percent of the district's baseline funding per
22 weighted student unit, as established in subsection 2, multiplied by the
23 district's weighted student units ~~from the previous school year, not to exceed~~
24 the district's 2017-18 baseline weighted student units, plus any weighted
25 student units in excess of the 2017-18 baseline weighted student units
26 multiplied by nine thousand eight hundred thirty-nine dollars; or
- 27 (b)~~(2)(3)~~One hundred percent of theThe district's baseline funding as established in
28 subsection 1.
- 29 (2) ~~The superintendent also shall adjust the product to ensure the product does~~
30 ~~not exceed one hundred forty percent of the district's baseline funding per~~

1 weighted student unit multiplied by the district's weighted student units from
2 the previous school year, as established in subsection 2.

3 b. ~~In 2018-19~~For the 2020-21 school year and each school year thereafter, the
4 superintendent shall ~~multiply the~~calculate state aid as the greater of:

5 (1) ~~The~~ district's weighted student units ~~multiplied~~ by ~~nineteen~~ thousand ~~six~~one
6 ~~hundred~~ ~~forty~~ ~~six~~thirty-fourthirty-six dollars.

7 (4) The superintendent shall adjust the product to ensure the product is at least
8 equal to the greater of: ~~;~~or

9 (2) ~~The amount in paragraph 1 plus the greater of:~~

10 ~~(a)~~ ~~One hundred~~ ~~eight~~two percent of the district's baseline funding per
11 weighted student unit, as established in subsection 2, multiplied by
12 the district's weighted student units ~~from the previous school year less~~
13 ~~the amount in paragraph 1, with the difference reduced by five percent~~
14 ~~in 2020-21 and fifteen percent each year thereafter, not to exceed the~~
15 ~~district's 2017-18 baseline weighted student units, plus any weighted~~
16 ~~student units in excess of the 2017-18 baseline weighted student units~~
17 ~~multiplied by ten thousand thirty-six dollars; or~~

18 ~~(b)~~(3) ~~One hundred percent of the~~The district's baseline funding as established in
19 subsection 1 ~~less the amount in paragraph 1, with the difference reduced by~~
20 ~~five~~fifteen percent ~~in 2020-21~~for the 2021-22 school year and fifteen percent
21 each school year thereafter, and then the difference added to the amount
22 determined in paragraph 1.

23 c. The superintendent also shall adjust state aid determined in this subsection:

24 (1) ~~In~~For the 2019-20 school year, to ensure the amount does not exceed one
25 hundred ~~forty~~ ~~five~~five percent of the district's baseline funding per weighted
26 student unit, as established in subsection 2, multiplied by the district's
27 weighted student units from the previous school year.

28 (2) The superintendent also shall adjust the product~~in~~For the 2020-21 school
29 year and each school year thereafter, to ensure the ~~product~~amount does not
30 exceed one hundred ~~forty~~ ~~five~~ten percent of the district's baseline funding

1 per weighted student unit, as established in subsection 2, multiplied by the
2 district's weighted student units from the previous school year.

3 4. After determining the product in accordance with subsection 3, the superintendent of
4 public instruction shall:

5 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
6 school district, except the amount in dollars subtracted for purposes of this
7 subdivision may not exceed the previous year's amount in dollars subtracted for
8 purposes of this subdivision by more than twelve percent, adjusted pursuant to
9 section 15.1-27-04.3; and

10 b. Subtract an amount equal to seventy-five percent of all ~~revenues~~revenue types
11 listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one-
12 hundred percent of all revenues listed in paragraphs 6, 8, and 9 of
13 subdivision ~~f~~subdivisions fc and gd of subsection 1. Before determining the
14 deduction for seventy-five percent of all revenue types, the superintendent of
15 public instruction shall adjust revenues as follows:

16 (1) Tuition revenue shall be adjusted as follows:

17 (a) In addition to deducting tuition revenue received specifically for the
18 operation of an educational program provided at a residential
19 treatment facility and tuition revenue received for the provision of an
20 adult farm management program as directed in paragraph 3 of
21 subdivision c of subsection 1, the superintendent of public instruction
22 also shall reduce the total tuition reported by the school district by the
23 amount of tuition revenue received for the education of students not
24 residing in the state and for which the state has not entered a cross-
25 border education contract; and

26 (b) The superintendent of public instruction also shall reduce the total
27 tuition reported by admitting school districts meeting the requirements
28 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
29 of tuition revenue received for the education of students residing in an
30 adjacent school district.

1 (2) After adjusting tuition revenue as provided in paragraph 1, the
2 superintendent shall reduce all remaining revenues from all revenue types
3 by the percentage of mills levied in 2018 by the school district for sinking
4 and interest relative to the total mills levied in 2018 by the school district for
5 all purposes.

6 5. The amount remaining after the computation required under subsection 4 is the
7 amount of state aid to which a school district is entitled, subject to any other statutory
8 requirements or limitations.

9 6. On or before June thirtieth of each year, the school board shall certify to the
10 superintendent of public instruction the final average daily membership for the current
11 school year.

12 7. For purposes of the calculation in subsection 4, each county auditor shall report the
13 following to the superintendent of public instruction on an annual basis:

14 a. The amount of revenue received by each school district in the county during the
15 previous school year for each type of revenue identified in subdivisions c and d of
16 subsection 1;

17 b. The total number of mills levied in the previous calendar year by each school
18 district for all purposes; and

19 c. The number of mills levied in the previous calendar year by each school district
20 for sinking and interest fund purposes.

21 **SECTION 7. AMENDMENT.** Subdivision a of subsection 4 of section 15.1-27-04.1 of the
22 North Dakota Century Code is amended and reenacted as follows:

23 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
24 school district, ~~except the amount in dollars subtracted for purposes of this~~
25 ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~
26 ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~
27 ~~section 15.1-27-04.3; and~~

28 **SECTION 8.** Section 15.1-27-04.3 of the North Dakota Century Code is created and
29 enacted as follows:

15.1-27-04.3. Adjustment to state aid - Local property tax effort.

If the amount subtracted from a school district's state aid payment under subdivision a of subsection 4 of section 15.1-27-04.1 is less than the amount generated by sixty mills, the superintendent of public instruction shall adjust the amount subtracted as follows:

1. For the 2020-21 school year, increase the amount subtracted by an amount equal to ten percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
2. For the 2021-22 school year, increase the amount subtracted by an amount equal to twenty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
3. For the 2022-23 school year, increase the amount subtracted by an amount equal to forty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
4. For the 2023-24 school year, increase the amount subtracted by an amount equal to sixty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section; and
5. For the 2024-25 school year, increase the amount subtracted by an amount equal to eighty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section.

SECTION 9. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student

1 in a given grade, school, or school district is absent during a school calendar, and then
2 dividing the sum by the ~~greater of:~~

3 ~~a. The school district's calendar; or~~

4 ~~b. One hundred eighty-two.~~

5 2. For purposes of calculating average daily membership, all students are deemed to be
6 in attendance on:

7 a. 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
9 teachers;

10 b. The ~~two~~three days set aside for professional development activities under section
11 15.1-06-04; and

12 c. The two full days, or portions thereof, during which parent-teacher conferences
13 are held or which are deemed by the board of the district to be compensatory
14 time for parent-teacher conferences held outside regular school hours.

15 3. For purposes of calculating average daily membership:

16 a. A student enrolled full time in any grade from one through twelve may not exceed
17 an average daily membership of 1.00. The membership may be prorated for a
18 student who is enrolled less than full time.

19 b. A student enrolled full time in an approved regular education kindergarten
20 program may not exceed an average daily membership of 1.00. The membership
21 may be prorated for a student who is enrolled less than full time.

22 c. A student enrolled full time, as defined by the superintendent of public instruction,
23 in an approved early childhood special education program may not exceed an
24 average daily membership of 1.00. The membership may be prorated for a
25 student who is enrolled less than full time.

26 **SECTION 10. AMENDMENT.** Section 15.1-29-02.1 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **15.1-29-02.1. Cross-border attendance - Contract with South Dakota.**

29 1. A student who resides in a North Dakota school district contiguous to the South
30 Dakota border may attend school in South Dakota, and a student who resides in a
31 South Dakota school district contiguous to the North Dakota border may attend school

1 in North Dakota, provided the superintendent of public instruction has entered into a
2 contract with the secretary of the South Dakota department of education for the
3 cross-border attendance of eligible students.

4 2. A contract entered under subsection 1 must set forth:

- 5 a. An application procedure;
- 6 b. Causes for denial of an application; and
- 7 c. The manner and notification of acceptance.

8 3. A contract entered under subsection 1 must authorize the superintendent of public
9 instruction to count any South Dakota student participating in cross-border attendance
10 under this section for the purposes of determining the amount of state aid to which a
11 school district in this state is entitled. The superintendent of public instruction may not
12 count a North Dakota student participating in cross-border attendance in accordance
13 with the contract for purposes of determining the amount of state aid to which a school
14 district in this state is entitled.

15 4. A contract entered under subsection 1 must provide that if there are more students
16 from North Dakota than South Dakota participating in cross-border attendance under
17 this section, the superintendent of public instruction shall forward to the secretary of
18 the South Dakota department of education, on behalf of each excess student, an
19 amount annually agreed to by the superintendent and the secretary as reflecting the
20 average cost of education per student in the school districts participating in
21 cross-border attendance in accordance with the contract. The contract must also
22 provide that if there are more students from South Dakota than North Dakota
23 participating in cross-border attendance under this section, the secretary shall forward
24 to the superintendent, on behalf of each excess student, an amount annually agreed
25 to by the superintendent and the secretary as reflecting the average cost of education
26 per student in the school districts participating in cross-border attendance in
27 accordance with the contract. The superintendent shall pay the cost of cross-border
28 attendance from funds appropriated by the legislative assembly for state aid to
29 schools. Payments received by the superintendent under this subsection shall be
30 deposited in the general fund.

~~5.—The superintendent of public instruction shall annually reconcile the number of students from each school district in this state who participate in cross-border attendance under this section with the number of students from school districts in South Dakota who participate in cross-border attendance under this section. The superintendent of public instruction shall withhold from each school district's state aid an amount equal to the cost incurred by the state on the part of the school district in permitting the cross-border attendance of students under this section.~~

~~6.~~ A student who requires special education services may participate in cross-border attendance under this section, provided the contract entered under subsection 1 sets forth each school district's and each state's responsibilities for payment of any excess costs incurred as a result of providing the services to the student.

7.6. Each school district may provide transportation to students participating in cross-border attendance under this section. However, the superintendent of public instruction may include only transportation provided within this state for purposes of determining the state transportation aid to which a district is entitled.

~~8.7.~~ Sections 15.1-29-01 through 15.1-29-13 do not apply to students participating in cross-border attendance under this section.

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

15.1-29-12. Tuition payments - Determination.

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education per student incurred by the admitting district.

2. a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.

b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual

1 expenditures for sinking and interest funds, tax receipts to the building funds, and
2 general fund expenditures for capital outlay by the average daily membership of
3 the state.

4 c. The admitting district shall subtract the following from the amount arrived at
5 under subdivision b:

6 (1) The per student payment multiplied by the admitting district's school size
7 weighting factor; and

8 (2) Any credit for taxes paid to the admitting district by the student's parent.

9 d. The amount remaining is the full cost of education per student incurred by the
10 admitting district. The tuition amount payable for the individual student is the
11 lesser of:

12 (1) The full cost of education per student incurred by the admitting district; or

13 (2) One hundred fifty percent of the state average full cost of education per
14 student.

15 e. Admitting school districts shall charge the tuition amount payable determined in
16 subdivision d multiplied by two hundred percent or four thousand dollars,
17 whichever is greater, if the admitting school district:

18 (1) Is located in an oil-producing county;

19 (2) Is eligible to receive gross production tax revenue in lieu of property taxes;

20 (3) Is located in cities with populations over twenty-four thousand;

21 (4) Has a tax base fewer than twenty square miles;

22 (5) Levies greater than sixty mills for local property taxes;

23 (6) Has student enrollments of greater than four thousand;

24 (7) Has average student growth of over two hundred per year over the
25 preceding five years;

26 (8) Uses portable classrooms; and

27 (9) Has enrollment exceeding school facility capacity.

28 3. This section does not affect the right of a school board to charge and collect tuition
29 from students who are not residents of this state, in accordance with section
30 15.1-29-02.

1 | **SECTION 12. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
2 | amended and reenacted as follows:

3 | **57-15-14.2. School district levies.**

- 4 | 1. ~~For taxable years after 2013, the~~The board of a school district may levy a tax not
5 | exceeding the amount in dollars that the school district levied for the prior year, plus
6 | twelve percent and the dollar amount of the adjustment required in section
7 | 15.1-27-04.3, up to a levy of seventy mills on the taxable valuation of the district, for
8 | any purpose related to the provision of educational services. The proceeds of this levy
9 | must be deposited into the school district's general fund and used in accordance with
10 | this subsection. The proceeds may not be transferred into any other fund.
- 11 | 2. ~~For taxable years after 2013, the~~The board of a school district may levy no more than
12 | twelve mills on the taxable valuation of the district, for miscellaneous purposes and
13 | expenses. The proceeds of this levy must be deposited into a special fund known as
14 | the miscellaneous fund and used in accordance with this subsection. The proceeds
15 | may not be transferred into any other fund.
- 16 | 3. The board of a school district may levy no more than three mills on the taxable
17 | valuation of the district for deposit into a special reserve fund, in accordance with
18 | chapter 57-19.
- 19 | 4. The board of a school district may levy no more than the number of mills necessary,
20 | on the taxable valuation of the district, for the payment of tuition, in accordance with
21 | section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
22 | known as the tuition fund and used in accordance with this subsection. The proceeds
23 | may not be transferred into any other fund.
- 24 | 5. Nothing in this section limits the board of a school district from levying:
25 | a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
26 | b. Mills necessary to pay principal and interest on the bonded debt of the district,
27 | including the mills necessary to pay principal and interest on any bonded debt
28 | incurred under section 57-15-17.1 before July 1, 2013.

29 | **SECTION 13. AMENDMENT.** Subsection 1 of section 57-15-14.2 of the North Dakota
30 | Century Code is amended and reenacted as follows:

1 1. The board of a school district may levy a tax not exceeding sixty mills. For school
2 districts that levied at or above sixty mills the prior year, the levy may not exceed the
3 amount in dollars that the school district levied for the prior year, plus twelve percent
4 ~~and the dollar amount of the adjustment required in section 15.1-27-04.3~~, up to a levy
5 of seventy mills on the taxable valuation of the district, for any purpose related to the
6 provision of educational services. The proceeds of this levy must be deposited into the
7 school district's general fund and used in accordance with this subsection. The
8 proceeds may not be transferred into any other fund.

9 **SECTION 14. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION**

10 **FOUNDATION AID STABILIZATION FUND - RAPID ENROLLMENT GRANT ONE-TIME**

11 **FUNDING.** There is appropriated out of any moneys in the foundation aid stabilization fund in
12 the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as
13 may be necessary, to the department of public instruction for the purpose of providing rapid
14 enrollment grants to school districts, for the biennium beginning July 1, 2019, and ending
15 June 30, 2021. The funding provided in this section is considered a one-time funding item. The
16 superintendent of public instruction shall award rapid enrollment grants to eligible districts only
17 during the first year of the 2019-21 biennium based on the following criteria:

- 18 1. A district is eligible to receive a grant under this section if the number of students
19 reflected in the district's September tenth enrollment report exceeds the number of
20 students in the prior year September tenth enrollment report. The increase must be at
21 least four percent or one hundred fifty students and must be at least twenty students.
- 22 2. The superintendent of public instruction shall calculate the amount to which an eligible
23 district is entitled as follows:
- 24 a. Determine the actual percentage increase in the number of students and subtract
25 two from the percentage calculated;
- 26 b. Determine the number of students represented by the difference determined in
27 subdivision a of this subsection;
- 28 c. Multiply the number of students determined in subdivision b of this subsection by
29 \$4,000.
- 30 3. If the amount of the appropriation provided for in this section is insufficient to meet the
31 obligations of this subsection, the superintendent of public instruction shall prorate the

1 payment based on the percentage of the total amount to which each school district is
2 entitled.

3 4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
4 eligible to receive a grant under this section.

5 **SECTION 15. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**
6 **FOUNDATION AID STABILIZATION FUND - MUSIC EDUCATION GRANTS.** There is
7 appropriated out of any moneys in the foundation aid stabilization fund in the state treasury, not
8 otherwise appropriated, the sum of \$600,000, or so much of the sum as may be necessary, to
9 the department of public instruction for the purpose of providing music education grants, for the
10 biennium beginning July 1, 2019, and ending June 30, 2021. The department shall establish
11 award criteria, review grant applications, and administer the grant program. A school district
12 may not receive more than \$20,000 in grant funds. The department must report to the sixty-
13 seventh legislative assembly regarding the grants awarded and outcomes, including the
14 program's impact on student behavior and mental health. The funding provided in this section is
15 considered a one-time funding item.

16 ~~SECTION 16. APPROPRIATION. There is appropriated out of any moneys in the general~~
17 ~~fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the~~
18 ~~sum as may be necessary, to the department of commerce for the purpose of providing funding~~
19 ~~to an organization providing research-based literacy intervention services to students below~~
20 ~~grade four who score below proficient in reading as matching funds for AmeriCorps funding, for~~
21 ~~the biennium beginning July 1, 2019, and ending June 30, 2021. The department may spend~~
22 ~~the appropriated funds only as authorized in this section.~~

23 **SECTION 16. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the
24 legislative management shall consider studying minimum and maximum payments to school
25 districts included in the state school aid formula, including how school districts could be
26 transitioned from the minimum and maximum payments and the effects on school districts of
27 transitioning from the minimum and maximum payments. The legislative management shall
28 report its findings and recommendations, together with any legislation required to implement the
29 recommendations, to the sixty-seventh legislative assembly.

30 **SECTION 17. EFFECTIVE DATE.** Section ~~4~~ of this Act ~~is becomes~~ effective on July 1,
31 2020. Section 5 of this Act becomes effective on July 1, 2021. Section 12 of this Act is effective

1 for taxable years beginning after December 31, 2018. Section 13 of this Act is effective for
2 taxable years beginning after December 31, 2024. Section 7 of this Act becomes effective on
3 July 1, 2025.

4 **SECTION 18. EXPIRATION DATE.** Section 8 of this Act is effective through June 30, 2025,
5 and after that date is ineffective.