

**SECOND ENGROSSMENT  
with Conference Committee Amendments  
REENGROSSED SENATE BILL NO. 2284**

Introduced by

Senators Schaible, Elkin

Representatives Heinert, Nathe

1 A BILL for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota  
2 Century Code, relating to permitting private tutors on public school premises; to amend and  
3 reenact section 15.1-07-26, subsection 8 of section 15.1-15-02, subsections 2 and 6 of section  
4 15.1-19-10, section 15.1-27-03.1, subsection 4 of section 15.1-27-03.2, section 15.1-27-04.1,  
5 and subsection 5 of section 15.1-36-08 of the North Dakota Century Code, relating to school  
6 district enrollment, the definition of "probationary teacher", a school district's policy governing  
7 possession of a weapon, the definition of "dangerous weapon", modification of weighting  
8 factors, transition maximums and an increase in per student payments, and the school  
9 construction revolving loan fund; to provide for a legislative management study; to provide a  
10 legislative management report; to provide an appropriation; to provide for an exemption; to  
11 provide for a transfer; and to provide an effective date.

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

13 **SECTION 1. AMENDMENT.** Section 15.1-07-26 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **15.1-07-26. School district demographics and enrollment - ~~Long-term planning~~**  
16 **~~process~~Review - Report.**

17 1. Between January first and June thirtieth of every even-numbered year, the board of  
18 each school district ~~shall~~may invite the public to participate in a ~~planning-~~  
19 ~~process~~review addressing the effects that demographics ~~might~~and changing  
20 enrollment will have on the district in the ensuing three-year and five-year periods, and  
21 specifically addressing potential effects on:

22 a. ~~Academic and extracurricular programs~~achievement, as it relates to the local  
23 strategic plan, including progress toward state academic goals adopted by the

1                    statewide prekindergarten through grade twelve education strategic vision

2                    steering committee;

3                    b. Instructional and administrative, and ancillary staffing;

4                    c. Co-curricular or extracurricular programs;

5                    d. Facility needs and utilization; and

6                    ~~d.e.~~ District property tax levies.

7                    2. At the conclusion of the ~~planning process~~review, the board ~~shall~~is encouraged to  
8                    prepare a report, ~~publish a notice in the official newspaper of the district indicating that~~  
9                    ~~the report is available~~make the report available on the district website, and make the  
10                    report available upon request.

11                    **SECTION 2. AMENDMENT.** Subsection 8 of section 15.1-15-02 of the North Dakota

12 Century Code is amended and reenacted as follows:

13                    8. For purposes of this section, "probationary teacher" means an individual teaching for  
14                    less than two years in the school district.

15                    **SECTION 3. AMENDMENT.** Subsection 2 of section 15.1-19-10 of the North Dakota

16 Century Code is amended and reenacted as follows:

17                    2. The policy must ~~prohibit~~:

18                    a. Prohibit the possession of a dangerous weapon or a firearm by a student on  
19                    school property and at school functions and provide for the punishment of any  
20                    student found to be in violation. ~~Punishment must include immediate suspension~~  
21                    ~~from school and expulsion. A~~

22                    b. Require a student who possesses a firearm in violation of this section ~~must~~to be  
23                    expelled for at least one year. ~~The school district firearms policy must authorize~~

24                    c. Authorize the school district superintendent or the school principal, if the school  
25                    district does not have a superintendent, to modify an expulsion for firearms  
26                    possession under this section on a case-by-case basis in accordance with criteria  
27                    established by the board. Before expelling a student, a school board or its  
28                    designated hearing officer, within ten days of the student's suspension, shall  
29                    provide the student with a hearing at which time the school board or its  
30                    designated hearing officer shall take testimony and consider evidence, including  
31                    the existence of mitigating circumstances. If a designated hearing officer orders

1                   that a student be expelled, the student may seek a review of the decision by the  
2                   school board, based on the record of the expulsion hearing.

3                   d. Include a referral mechanism to the criminal justice or juvenile delinquency  
4                   system for a student who possesses a firearm in violation of this subsection.

5                   **SECTION 4. AMENDMENT.** Subsection 6 of section 15.1-19-10 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7                   6. For purposes of this section:

8                   a. "Dangerous weapon" has the meaning provided in 18 U.S.C. 930(g)(2).

9                   b. "Firearm" has the meaning provided in Public Law No. 90-351 [82 Stat. 197;  
10                   18 U.S.C. 921].

11                   b.c. "School property" includes all land within the perimeter of the school site and all  
12                   school buildings, structures, facilities, and school vehicles, whether owned or  
13                   leased by a school district, and the site of any school-sponsored event or activity.

14                   **SECTION 5.** A new section to chapter 15.1-21 of the North Dakota Century Code is created  
15 and enacted as follows:

16                   **Private tutors.**

17                   A board of a school district may adopt a policy to permit private tutors to provide tutoring  
18 services on school premises.

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

21                   **15.1-27-03.1. Weighted average daily membership - Determination.**

22                   1. For each school district, the superintendent of public instruction shall multiply by:

23                   a. 1.00 the number of full-time equivalent students enrolled in an extended  
24                   educational program in accordance with section 15.1-32-17;

25                   b. 0.60 the number of full-time equivalent students enrolled in a summer education  
26                   program, including a migrant summer education program;

27                   c. 0.40 the number of full-time equivalent students who:

28                   (1) On a test of English language proficiency approved by the superintendent of  
29                   public instruction are determined to be least proficient and placed in the first  
30                   of six categories of proficiency; and

31                   (2) Are enrolled in a program of instruction for English language learners;

- 1           d. 0.28 the number of full-time equivalent students who:
- 2           (1) On a test of English language proficiency approved by the superintendent of
- 3           public instruction are determined to be more proficient than students placed
- 4           in the first of six categories of proficiency and therefore placed in the second
- 5           of six categories of proficiency; and
- 6           (2) Are enrolled in a program of instruction for English language learners;
- 7           e. 0.25 the number of full-time equivalent students under the age of twenty-one
- 8           enrolled in grades nine through twelve in an alternative high school;
- 9           f. 0.20 the number of full-time equivalent students enrolled in a home-based
- 10          education program and monitored by the school district under chapter 15.1-23;
- 11          g. 0.17 the number of full-time equivalent students enrolled in an early childhood
- 12          special education program;
- 13          h. 0.15 the number of full-time equivalent students in grades six through eight
- 14          enrolled in an alternative education program for at least an average of fifteen
- 15          hours per week;
- 16          i. 0.10 the number of students enrolled in average daily membership, if the district
- 17          has fewer than one hundred students enrolled in average daily membership and
- 18          the district consists of an area greater than two hundred seventy-five square
- 19          miles [19424.9 hectares], provided that any school district consisting of an area
- 20          greater than six hundred square miles [155399 hectares] and enrolling fewer than
- 21          fifty students in average daily membership must be deemed to have an
- 22          enrollment equal to fifty students in average daily membership;
- 23          j. ~~0.0820.088~~ the number of students enrolled in average daily membership, in
- 24          order to support the provision of special education services;
- 25          k. 0.07 the number of full-time equivalent students who:
- 26          (1) On a test of English language proficiency approved by the superintendent of
- 27          public instruction are determined to be more proficient than students placed
- 28          in the second of six categories of proficiency and therefore placed in the
- 29          third of six categories of proficiency;
- 30          (2) Are enrolled in a program of instruction for English language learners; and

- 1                   (3) Have not been in the third of six categories of proficiency for more than  
2                   three years;
- 3                   l. 0.025 the number of students representing that percentage of the total number of  
4                   students in average daily membership which is equivalent to the three-year  
5                   average percentage of students in grades three through eight who are eligible for  
6                   free or reduced lunches under the Richard B. Russell National School Lunch Act  
7                   [42 U.S.C. 1751 et seq.];
- 8                   m. 0.002 the number of students enrolled in average daily membership in a school  
9                   district that is a participating member of a regional education association meeting  
10                  the requirements of chapter 15.1-09.1;
- 11                  n. ~~0.601.0~~ the number of students by which the district's September tenth  
12                  enrollment report exceeds the number of students in the prior year's average  
13                  daily membership ~~increasing the factor annually by 0.10, not to exceed 1.00~~; and
- 14                  o. For districts paid based on September tenth enrollment in the prior year, ~~0.500.70~~  
15                  the number of students determined by deducting the number of students in the  
16                  prior year's September tenth enrollment from the prior year's average daily  
17                  membership, increasing the factor annually by 0.10, not to exceed 1.00. If the  
18                  prior year's September tenth enrollment exceeds the prior year's average daily  
19                  membership, then a deduction of 0.50 the number of excess students, increasing  
20                  the factor annually by 0.10, not to exceed 1.00.
- 21                  2. The superintendent of public instruction shall determine each school district's weighted  
22                  average daily membership by adding the products derived under subsection 1 to the  
23                  district's average daily membership.

24                  **SECTION 7. AMENDMENT.** Subdivision o of subsection 1 of section 15.1-27-03.1 of the  
25                  North Dakota Century Code is amended and reenacted as follows:

- 26                  o. For districts paid based on September tenth enrollment in the prior year, ~~0.701.00~~  
27                  the number of students determined by deducting the number of students in the  
28                  prior year's September tenth enrollment from the prior year's average daily  
29                  membership, ~~increasing the factor annually by 0.10, not to exceed 1.00~~. If the  
30                  prior year's September tenth enrollment exceeds the prior year's average daily

1 membership, then a deduction of ~~0.50~~1.00 the number of excess students,  
2 increasing the factor annually by 0.10, not to exceed 1.00.

3 **SECTION 8. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5 4. The school district size weighting factor determined under this section and multiplied  
6 by a school district's weighted average daily membership equals the district's weighted  
7 student units. For ~~the 2022-23 school year~~, for school districts that operate multiple  
8 kindergarten through grade twelve buildings at least ~~nineteen~~fourteen miles  
9 [~~30.58~~22.53 kilometers] apart, or multiple buildings at least ~~nineteen~~fourteen miles  
10 [~~30.58~~22.53 kilometers] apart with no replicated grades, the superintendent of public  
11 instruction shall determine the school size weighting factor for each building  
12 separately, with no adjustment for elementary schools. The superintendent of public  
13 instruction shall multiply the school size weighting factor for each building by the  
14 school district's weighted average daily membership to determine each building's  
15 weighted student units. The superintendent of public instruction shall combine the  
16 weighted student units of all buildings in the school district to determine the school  
17 district's weighted student units.

18 **SECTION 9. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota  
19 Century Code is amended and reenacted as follows:

20 4. The school district size weighting factor determined under this section and multiplied  
21 by a school district's weighted average daily membership equals the district's weighted  
22 student units. For for school districts that operate multiple kindergarten through grade  
23 twelve buildings at least ~~fourteen~~ miles [~~22.53~~ kilometers] apart, or multiple buildings  
24 at least ~~fourteen~~ miles [~~22.53~~ kilometers] apart with no replicated grades, the  
25 superintendent of public instruction shall determine the school size weighting factor for  
26 each building separately, ~~with no adjustment for elementary schools~~. The  
27 superintendent of public instruction shall multiply the school size weighting factor for  
28 each building by the school district's weighted average daily membership to determine  
29 each building's weighted student units. The superintendent of public instruction shall  
30 combine the weighted student units of all buildings in the school district to determine  
31 the school district's weighted student units.

1       **SECTION 10. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
4 **through June 30, 2025)**

- 5       1. To determine the amount of state aid payable to each district, the superintendent of  
6 public instruction shall establish each district's baseline funding. A district's baseline  
7 funding consists of:
- 8       a. All state aid received by the district in accordance with chapter 15.1-27 during the  
9       2018-19 school year;
  - 10       b. An amount equal to the property tax deducted by the superintendent of public  
11       instruction to determine the 2018-19 state aid payment;
  - 12       c. An amount equal to seventy-five percent of the revenue received by the school  
13       district during the 2017-18 school year for the following revenue types:
    - 14           (1) Revenue reported under code 2000 of the North Dakota school district  
15           financial accounting and reporting manual, as developed by the  
16           superintendent of public instruction in accordance with section 15.1-02-08;
    - 17           (2) Mineral revenue received by the school district through direct allocation from  
18           the state treasurer and not reported under code 2000 of the North Dakota  
19           school district financial accounting and reporting manual, as developed by  
20           the superintendent of public instruction in accordance with section  
21           15.1-02-08;
    - 22           (3) Tuition reported under code 1300 of the North Dakota school district  
23           financial accounting and reporting manual, as developed by the  
24           superintendent of public instruction in accordance with section 15.1-02-08,  
25           with the exception of revenue received specifically for the operation of an  
26           educational program provided at a residential treatment facility, tuition  
27           received for the provision of an adult farm management program, and  
28           beginning in the 2021-22 school year, seventeen percent of tuition received  
29           under an agreement to educate students from a school district on an  
30           air force base with funding received through federal impact aid, and an  
31           additional seventeen percent of tuition received under an agreement to

- 1 educate students from a school district on an air force base with funding  
2 received through federal impact aid each school year thereafter, until the  
3 2024-25 school year when sixty-eight percent of tuition received under an  
4 agreement to educate students from a school district on an air force base  
5 with funding received through federal impact aid must be excluded from the  
6 tuition calculation under this paragraph;
- 7 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
8 of electric power;
- 9 (5) Revenue from payments in lieu of taxes on electricity generated from  
10 sources other than coal; and
- 11 (6) Revenue from the leasing of land acquired by the United States for which  
12 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 13 d. An amount equal to the total revenue received by the school district during the  
14 2017-18 school year for the following revenue types:
- 15 (1) Mobile home tax revenue;
- 16 (2) Telecommunications tax revenue; and
- 17 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
18 homestead credit and disabled veterans credit; and
- 19 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
20 baseline funding for any school district that becomes an elementary district  
21 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
22 be proportional to the number of weighted student units in the grades that are  
23 offered through another school district relative to the total number of weighted  
24 student units the school district offered in the year before the school district  
25 became an elementary district. The reduced baseline funding applies to the  
26 calculation of state aid for the first school year in which the school district  
27 becomes an elementary district and for each year thereafter. For districts that  
28 become an elementary district prior to the 2020-21 school year, the  
29 superintendent shall use the reduced baseline funding to calculate state aid for  
30 the 2020-21 school year and for each year thereafter.



- 1           2.   a.   The superintendent shall divide the district's baseline funding determined in  
2                    subsection 1 by the district's 2017-18 weighted student units to determine the  
3                    district's baseline funding per weighted student unit.
- 4           b.   For any school district that becomes an elementary district pursuant to section  
5                    15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
6                    district's baseline funding per weighted student unit used to calculate state aid.  
7                    The superintendent shall divide the district's baseline funding determined in  
8                    subsection 1 by the district's weighted student units after the school district  
9                    becomes an elementary district to determine the district's adjusted baseline  
10                  funding per weighted student unit. The superintendent shall use the district's  
11                  adjusted baseline funding per weighted student unit in the calculation of state aid  
12                  for the first school year in which the school district becomes an elementary  
13                  district and for each year thereafter.
- 14          c.   Beginning with the 2021-22 school year and for each school year thereafter, the  
15                  superintendent shall reduce the district's baseline funding per weighted student  
16                  unit. Each year the superintendent shall calculate the amount by which the  
17                  district's baseline funding per weighted student unit exceeds the payment per  
18                  weighted student unit provided in subsection 3. The superintendent shall reduce  
19                  the district's baseline funding per weighted student unit by fifteen percent of the  
20                  amount by which the district's baseline funding per weighted student unit exceeds  
21                  the payment per weighted student unit for the 2021-22 school year. For each  
22                  year thereafter, the reduction percentage is increased by an additional fifteen  
23                  percent. However, the district's baseline funding per weighted student unit, after  
24                  the reduction, may not be less than the payment per weighted student unit  
25                  provided in subsection 3.
- 26          3.   a.   For the ~~2021-22~~2023-24 school year, the superintendent shall calculate state aid  
27                  as the greater of:
- 28                  (1)   The district's weighted student units multiplied by ten thousand ~~one hundred~~  
29                  ~~thirty-six~~six hundred forty-six dollars;
- 30                  (2)   One hundred two percent of the district's baseline funding per weighted  
31                  student unit, as established in subsection 2, multiplied by the district's

- 1                    weighted student units, not to exceed the district's 2017-18 baseline  
2                    weighted student units, plus any weighted student units in excess of the  
3                    2017-18 baseline weighted student units multiplied by ten thousand  
4                    ~~one hundred thirty-six~~six hundred forty-six dollars; or
- 5                    (3) The district's baseline funding as established in subsection 1 less the  
6                    amount in paragraph 1, with the difference reduced by ~~fifteen~~forty-five  
7                    percent and then the difference added to the amount determined in  
8                    paragraph 1.
- 9                    b. For the ~~2022-23~~2024-25 school year and each school year thereafter, the  
10                    superintendent shall calculate state aid as the greater of:
- 11                    (1) The district's weighted student units multiplied by ~~ten~~eleven thousand ~~two~~  
12                    ~~hundred thirty-seven~~seventy-two dollars;
- 13                    (2) One hundred two percent of the district's baseline funding per weighted  
14                    student unit, as established in subsection 2, multiplied by the district's  
15                    weighted student units, not to exceed the district's 2017-18 baseline  
16                    weighted student units, plus any weighted student units in excess of the  
17                    2017-18 baseline weighted student units multiplied by ~~ten~~eleven thousand  
18                    ~~two hundred thirty-seven~~seventy-two dollars; or
- 19                    (3) The district's baseline funding as established in subsection 1 less the  
20                    amount in paragraph 1, with the difference reduced by ~~thirty~~sixty percent for  
21                    the ~~2022-23~~2024-25 school year and the reduction percentage increasing  
22                    by fifteen percent each school year thereafter until the difference is reduced  
23                    to zero, and then the difference added to the amount determined in  
24                    paragraph 1.
- 25                    e. ~~The superintendent also shall adjust state aid determined in this subsection to~~  
26                    ~~ensure the amount does not exceed the transition maximum as follows:~~
- 27                    (4) ~~For the 2021-22 school year, the transition maximum rate is one hundred~~  
28                    ~~ten percent of the district's baseline funding per weighted student unit, as~~  
29                    ~~established in subsection 2, multiplied by the district's weighted student~~  
30                    ~~units from the previous school year.~~

- 1                   (2) For the 2022-23 school year, the transition maximum rate is one hundred  
2                   ten percent of the district's baseline funding per weighted student unit, as  
3                   established in subsection 2, multiplied by the district's weighted student  
4                   units from the previous school year.
- 5                   (3) For the 2023-24 school year, the transition maximum rate is one hundred  
6                   ten percent of the district's baseline funding per weighted student unit, as  
7                   established in subsection 2, plus twenty percent of the difference between  
8                   the rate under paragraph 1 of subdivision b of this subsection and  
9                   one hundred ten percent of the district's baseline funding per weighted  
10                  student unit. The transition maximum is determined by multiplying the  
11                  transition maximum rate, which may not exceed the rate under paragraph 1  
12                  of subdivision b of this subsection, by the district's weighted student units  
13                  from the previous school year.
- 14                  (4) For the 2024-25 school year, the transition maximum rate is one hundred  
15                  ten percent of the district's baseline funding per weighted student unit, as  
16                  established in subsection 2, plus forty percent of the difference between the  
17                  rate under paragraph 1 of subdivision b of this subsection and one hundred  
18                  ten percent of the district's baseline funding per weighted student unit. The  
19                  transition maximum is determined by multiplying the transition maximum  
20                  rate, which may not exceed the rate under paragraph 1 of subdivision b of  
21                  this subsection, by the district's weighted student units from the previous  
22                  school year.
- 23                  (5) For the 2025-26 school year, the transition maximum rate is one hundred  
24                  ten percent of the district's baseline funding per weighted student unit, as  
25                  established in subsection 2, plus sixty percent of the difference between the  
26                  rate under paragraph 1 of subdivision b of this subsection and one hundred  
27                  ten percent of the district's baseline funding per weighted student unit. The  
28                  transition maximum is determined by multiplying the transition maximum  
29                  rate, which may not exceed the rate under paragraph 1 of subdivision b of  
30                  this subsection, by the district's weighted student units from the previous  
31                  school year.

1           (6) ~~For the 2026-27 school year, the transition maximum rate is one hundred~~  
2           ~~ten percent of the district's baseline funding per weighted student unit, as~~  
3           ~~established in subsection 2, plus eighty percent of the difference between~~  
4           ~~the rate under paragraph 1 of subdivision b of this subsection and~~  
5           ~~one hundred ten percent of the district's baseline funding per weighted~~  
6           ~~student unit. The transition maximum is determined by multiplying the~~  
7           ~~transition maximum rate, which may not exceed the rate under paragraph 1~~  
8           ~~of subdivision b of this subsection, by the district's weighted student units~~  
9           ~~from the previous school year.~~

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

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

17          b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
18          subdivisions c and d of subsection 1. Before determining the deduction for  
19          seventy-five percent of all revenue types, the superintendent of public instruction  
20          shall adjust revenues as follows:

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

22               (a) In addition to deducting tuition revenue received specifically for the  
23               operation of an educational program provided at a residential  
24               treatment facility, tuition revenue received for the provision of an adult  
25               farm management program, and tuition received under an agreement  
26               to educate students from a school district on an air force base with  
27               funding received through federal impact aid as directed each school  
28               year in paragraph 3 of subdivision c of subsection 1, the  
29               superintendent of public instruction also shall reduce the total tuition  
30               reported by the school district by the amount of tuition revenue  
31               received for the education of students not residing in the state and for

1 which the state has not entered a cross-border education contract;  
2 and

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

8 (2) After adjusting tuition revenue as provided in paragraph 1, the  
9 superintendent shall reduce all remaining revenues from all revenue types  
10 by the percentage of mills levied in ~~2020~~2022 by the school district for  
11 sinking and interest relative to the total mills levied in ~~2020~~2022 by the  
12 school district for all purposes.

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

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

19 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
20 with the school districts, shall report the following to the superintendent of public  
21 instruction on an annual basis:

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

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

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

29 **Baseline funding - Establishment - Determination of state aid. (Effective after**  
30 **June 30, 2025)**

- 1           1. To determine the amount of state aid payable to each district, the superintendent of  
2           public instruction shall establish each district's baseline funding. A district's baseline  
3           funding consists of:
- 4           a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5           2018-19 school year;
- 6           b. An amount equal to the property tax deducted by the superintendent of public  
7           instruction to determine the 2018-19 state aid payment;
- 8           c. An amount equal to seventy-five percent of the revenue received by the school  
9           district during the 2017-18 school year for the following revenue types:
- 10          (1) Revenue reported under code 2000 of the North Dakota school district  
11          financial accounting and reporting manual, as developed by the  
12          superintendent of public instruction in accordance with section 15.1-02-08;
- 13          (2) Mineral revenue received by the school district through direct allocation from  
14          the state treasurer and not reported under code 2000 of the North Dakota  
15          school district financial accounting and reporting manual, as developed by  
16          the superintendent of public instruction in accordance with section  
17          15.1-02-08;
- 18          (3) Tuition reported under code 1300 of the North Dakota school district  
19          financial accounting and reporting manual, as developed by the  
20          superintendent of public instruction in accordance with section 15.1-02-08,  
21          with the exception of revenue received specifically for the operation of an  
22          educational program provided at a residential treatment facility, tuition  
23          received for the provision of an adult farm management program, and  
24          beginning in the 2025-26 school year, eighty-five percent of tuition received  
25          under an agreement to educate students from a school district on an  
26          air force base with funding received through federal impact aid, until the  
27          2026-27 school year, and each school year thereafter, when all tuition  
28          received under an agreement to educate students from a school district on  
29          an air force base with funding received through federal impact aid must be  
30          excluded from the tuition calculation under this paragraph;

- 1                   (4) Revenue from payments in lieu of taxes on the distribution and transmission  
2                   of electric power;
- 3                   (5) Revenue from payments in lieu of taxes on electricity generated from  
4                   sources other than coal; and
- 5                   (6) Revenue from the leasing of land acquired by the United States for which  
6                   compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 7           d. An amount equal to the total revenue received by the school district during the  
8           2017-18 school year for the following revenue types:
- 9                   (1) Mobile home tax revenue;
- 10                   (2) Telecommunications tax revenue; and
- 11                   (3) Revenue from payments in lieu of taxes and state reimbursement of the  
12                   homestead credit and disabled veterans credit.
- 13           e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
14           baseline funding for any school district that becomes an elementary district  
15           pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
16           be proportional to the number of weighted student units in the grades that are  
17           offered through another school district relative to the total number of weighted  
18           student units the school district offered in the year before the school district  
19           became an elementary district. The reduced baseline funding applies to the  
20           calculation of state aid for the first school year in which the school district  
21           becomes an elementary district and for each year thereafter. For districts that  
22           become an elementary district prior to the 2020-21 school year, the  
23           superintendent shall use the reduced baseline funding to calculate state aid for  
24           the 2020-21 school year and for each year thereafter.
- 25           2.    a. The superintendent shall divide the district's baseline funding determined in  
26           subsection 1 by the district's 2017-18 weighted student units to determine the  
27           district's baseline funding per weighted student unit.
- 28                   b. For any school district that becomes an elementary district pursuant to section  
29           15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
30           district's baseline funding per weighted student unit used to calculate state aid.  
31           The superintendent shall divide the district's baseline funding determined in

1 subsection 1 by the district's weighted student units after the school district  
2 becomes an elementary district to determine the district's adjusted baseline  
3 funding per weighted student unit. The superintendent shall use the district's  
4 adjusted baseline funding per weighted student unit in the calculation of state aid  
5 for the first school year in which the school district becomes an elementary  
6 district and for each year thereafter.

7 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
8 superintendent shall reduce the district's baseline funding per weighted student  
9 unit. Each year the superintendent shall calculate the amount by which the  
10 district's baseline funding per weighted student unit exceeds the payment per  
11 weighted student unit provided in subsection 3. The superintendent shall reduce  
12 the district's baseline funding per weighted student unit by fifteen percent of the  
13 amount by which the district's baseline funding per weighted student unit exceeds  
14 the payment per weighted student unit for the 2021-22 school year. For each  
15 year thereafter, the reduction percentage is increased by an additional fifteen  
16 percent. However, the district's baseline funding per weighted student unit, after  
17 the reduction, may not be less than the payment per weighted student unit  
18 provided in subsection 3.

- 19 3. a. For the ~~2021-22~~2023-24 school year, the superintendent shall calculate state aid  
20 as the greater of:
- 21 (1) The district's weighted student units multiplied by ten thousand ~~one hundred~~  
22 ~~thirty-six~~six hundred forty-six dollars;
- 23 (2) One hundred two percent of the district's baseline funding per weighted  
24 student unit, as established in subsection 2, multiplied by the district's  
25 weighted student units, not to exceed the district's 2017-18 baseline  
26 weighted student units, plus any weighted student units in excess of the  
27 2017-18 baseline weighted student units multiplied by ten thousand  
28 ~~one hundred thirty-six~~six hundred forty-six dollars; or
- 29 (3) The district's baseline funding as established in subsection 1 less the  
30 amount in paragraph 1, with the difference reduced by ~~fifteen~~forty-five



1                                   percent and then the difference added to the amount determined in  
2                                   paragraph 1.

3           b. For the ~~2022-23~~2024-25 school year and each school year thereafter, the  
4           superintendent shall calculate state aid as the greater of:

5           (1) The district's weighted student units multiplied by ~~tene~~eleven thousand ~~two~~  
6           ~~hundred thirty-seve~~seventy-two dollars;

7           (2) One hundred two percent of the district's baseline funding per weighted  
8           student unit, as established in subsection 2, multiplied by the district's  
9           weighted student units, not to exceed the district's 2017-18 baseline  
10          weighted student units, plus any weighted student units in excess of the  
11          2017-18 baseline weighted student units multiplied by ~~tene~~eleven thousand  
12          ~~two hundred thirty-seve~~seventy-two dollars; or

13          (3) The district's baseline funding as established in subsection 1 less the  
14          amount in paragraph 1, with the difference reduced by ~~thirtysixty~~sixty percent for  
15          the ~~2022-23~~2024-25 school year and the reduction percentage increasing  
16          by fifteen percent each school year thereafter until the difference is reduced  
17          to zero, and then the difference added to the amount determined in  
18          paragraph 1.

19          e. ~~The superintendent also shall adjust state aid determined in this subsection to~~  
20          ~~ensure the amount does not exceed the transition maximum as follows:~~

21          (1) ~~For the 2021-22 school year, the transition maximum rate is one hundred~~  
22          ~~ten percent of the district's baseline funding per weighted student unit, as~~  
23          ~~established in subsection 2, multiplied by the district's weighted student~~  
24          ~~units from the previous school year.~~

25          (2) ~~For the 2022-23 school year, the transition maximum rate is one hundred~~  
26          ~~ten percent of the district's baseline funding per weighted student unit, as~~  
27          ~~established in subsection 2, multiplied by the district's weighted student~~  
28          ~~units from the previous school year.~~

29          (3) ~~For the 2023-24 school year, the transition maximum rate is one hundred~~  
30          ~~ten percent of the district's baseline funding per weighted student unit, as~~  
31          ~~established in subsection 2, plus twenty percent of the difference between~~

1 the rate under paragraph 1 of subdivision b of this subsection and  
2 one hundred ten percent of the district's baseline funding per weighted  
3 student unit. The transition maximum is determined by multiplying the  
4 transition maximum rate, which may not exceed the rate under paragraph 1  
5 of subdivision b of this subsection, by the district's weighted student units  
6 from the previous school year.

7 (4) For the 2024-25 school year, the transition maximum rate is one hundred  
8 ten percent of the district's baseline funding per weighted student unit, as  
9 established in subsection 2, plus forty percent of the difference between the  
10 rate under paragraph 1 of subdivision b of this subsection and one hundred  
11 ten percent of the district's baseline funding per weighted student unit. The  
12 transition maximum is determined by multiplying the transition maximum  
13 rate, which may not exceed the rate under paragraph 1 of subdivision b of  
14 this subsection, by the district's weighted student units from the previous  
15 school year.

16 (5) For the 2025-26 school year, the transition maximum rate is one hundred  
17 ten percent of the district's baseline funding per weighted student unit, as  
18 established in subsection 2, plus sixty percent of the difference between the  
19 rate under paragraph 1 of subdivision b of this subsection and one hundred  
20 ten percent of the district's baseline funding per weighted student unit. The  
21 transition maximum is determined by multiplying the transition maximum  
22 rate, which may not exceed the rate under paragraph 1 of subdivision b of  
23 this subsection, by the district's weighted student units from the previous  
24 school year.

25 (6) For the 2026-27 school year, the transition maximum rate is one hundred  
26 ten percent of the district's baseline funding per weighted student unit, as  
27 established in subsection 2, plus eighty percent of the difference between  
28 the rate under paragraph 1 of subdivision b of this subsection and  
29 one hundred ten percent of the district's baseline funding per weighted  
30 student unit. The transition maximum is determined by multiplying the  
31 transition maximum rate, which may not exceed the rate under paragraph 1

1                               of subdivision b of this subsection, by the district's weighted student units-  
2                               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; and

7           b.   Subtract an amount equal to seventy-five percent of all revenue types listed in  
8           subdivisions c and d of subsection 1. Before determining the deduction for  
9           seventy-five percent of all revenue types, the superintendent of public instruction  
10          shall adjust revenues as follows:

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

12               (a)   In addition to deducting tuition revenue received specifically for the  
13               operation of an educational program provided at a residential  
14               treatment facility, tuition revenue received for the provision of an adult  
15               farm management program, and tuition received under an agreement  
16               to educate students from a school district on an air force base with  
17               funding received through federal impact aid as directed each school  
18               year in paragraph 3 of subdivision c of subsection 1, the  
19               superintendent of public instruction also shall reduce the total tuition  
20               reported by the school district by the amount of tuition revenue  
21               received for the education of students not residing in the state and for  
22               which the state has not entered a cross-border education contract;  
23               and

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

29          (2)   After adjusting tuition revenue as provided in paragraph 1, the  
30          superintendent shall reduce all remaining revenues from all revenue types  
31          by the percentage of mills levied in ~~2020~~2022 by the school district for

1 sinking and interest relative to the total mills levied in ~~2020~~2022 by the  
2 school district for all purposes.

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

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

9 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
10 with the school districts, shall report the following to the superintendent of public  
11 instruction on an annual basis:

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

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

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

19 **SECTION 11. AMENDMENT.** Subsection 5 of section 15.1-36-08 of the North Dakota  
20 Century Code is amended and reenacted as follows:

21 5. If the superintendent of public instruction approves the loan, the Bank of North Dakota  
22 shall issue a loan from the school construction assistance revolving loan fund. For a  
23 loan made under this section:

24 a. ~~The~~If the school construction project totals less than seventy-five million dollars,  
25 the maximum loan amount for which a school district may qualify is  
26 ~~ten~~fifteen million dollars. However, if a school district's unobligated general fund  
27 balance on the preceding June thirtieth exceeds the limitation under section  
28 15.1-27-35.3, the loan amount under this section may not exceed eighty percent  
29 of the project's cost up to a maximum loan amount of ~~eight~~twelve million dollars;

30 b. If the school construction project totals seventy-five million dollars or more, the  
31 maximum loan amount for which a school district may qualify is thirty million

- 1           dollars. However, if a school district's unobligated general fund balance on the  
2           preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the  
3           loan amount under this section may not exceed eighty percent of the project's  
4           cost up to a maximum loan amount of twenty-four million dollars;
- 5           c. The term of the loan is twenty years, unless the board of the school district  
6           requests a shorter term in the written loan application; and
- 7           e-d. The interest rate of the loan may not exceed two percent per year.
- 8           e. A district with a school construction loan secured on the open bond market may  
9           apply to refinance the loan when callable with the school construction assistance  
10           revolving loan fund under this subsection.
- 11           f. A district that qualifies for a loan under subdivision a, which was approved for a  
12           loan of up to ten million dollars for a construction project bid after January 1,  
13           2021, and before June 30, 2024, may apply for a loan in an amount equal to the  
14           difference between fifteen million dollars and the amount of the approved loan.  
15           Districts qualifying under this subdivision may submit an application for additional  
16           funding to the superintendent of public instruction before August 1, 2023.
- 17           g. A district that qualifies for a loan under subdivision b, which was approved for a  
18           loan of up to ten million dollars for a construction project bid after January 1,  
19           2021, and before June 30, 2024, may apply for a loan in an amount equal to the  
20           difference between thirty million dollars and the amount of the approved loan.  
21           Districts qualifying under this subdivision may submit an application for additional  
22           funding to the superintendent of public instruction before August 1, 2023.

23           **SECTION 12. LEGISLATIVE MANAGEMENT STUDY - COMPOSITION OF THE STATE**  
24           **BOARD OF PUBLIC SCHOOL EDUCATION.**

- 25           1. During the 2023-24 interim, the legislative management shall consider studying the  
26           composition of the state board of public school education. The study must include:
- 27           a. An analysis of the state board of public school education boundaries, including a  
28           comparison of methodologies for creating the boundaries;
- 29           b. An analysis of the inclusion of representatives from small, large, urban, and rural  
30           schools on the board;

- 1 c. An evaluation of term limits for board members, including staggering terms to  
2 ensure continuity of knowledge;
  - 3 d. An evaluation of the benefits and consequences of requiring the composition of  
4 the board to include two school district superintendents, two members of a board  
5 of a school district, and two citizens at large;
  - 6 e. An evaluation of the benefits and consequences of requiring a minimum or  
7 maximum number of candidates to be submitted to the governor and permitting  
8 the governor to request a new list of potential candidates once; and
  - 9 f. An analysis of the role and practices of the county superintendent of schools.
- 10 2. The legislative management shall report its findings and recommendations, together  
11 with any legislation required to implement the recommendations, to the sixty-ninth  
12 legislative assembly.

13 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SCHOOL CHOICE MODELS.**

- 14 1. During the 2023-24 interim, the legislative management shall study school choice  
15 models implemented nationally for kindergarten through grade twelve schools,  
16 including charter schools, magnet schools, private schools, voucher systems, and  
17 home schools. The study must include input from stakeholders, including public and  
18 nonpublic teachers and administrators, parents of students, representatives from the  
19 department of public instruction, a representative from the governor's office, and  
20 representatives from regional education associations. The study also must include the  
21 following, supported by quantitative data:
  - 22 a. A review of regulations implemented by state regulatory agencies to ensure  
23 accountability for various school choice models;
  - 24 b. A comparison of nontraditional school choice models implemented by other  
25 states;
  - 26 c. An analysis of the impact of enrollment fluctuation, including the impact on state  
27 aid;
  - 28 d. A review of the state's student population and enrollment capacity and tuition  
29 costs of nonpublic schools; and
  - 30 e. A review of services nonpublic schools are able to offer students with special  
31 needs.

1           2.    The legislative management shall report its findings and recommendations, together  
2                    with any legislation required to implement the recommendations, to the sixty-ninth  
3                    legislative assembly.

4           **SECTION 14. LEGISLATIVE MANAGEMENT STUDY - TEACHER SHORTAGE AND**

5 **MILITARY FAMILY WORKFORCE.** During the 2023-24 interim, the legislative management  
6 shall consider studying employer recruitment needs, applicable state regulations, and benefit  
7 options for kindergarten through grade twelve educators within the state, including potential  
8 barriers to military personnel and spouses teaching in the classroom. The study should identify  
9 immediate and long-term public policy strategies to address teacher shortages and support for  
10 military families and spouses. The legislative management shall report its findings and  
11 recommendations, together with any legislation necessary to implement the recommendations,  
12 to the sixty-ninth legislative assembly.

13           **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - VIRTUAL INSTRUCTION IN LIEU**

14 **OF STORM DAYS.** During the 2023-24 interim, the legislative management shall consider  
15 studying the feasibility, desirability, and impact of replacing storm days with virtual instruction  
16 days. The study must include input from the department of public instruction, public school  
17 administrators and teachers, and other stakeholders. The study also must include a review of  
18 relevant statutes, plans approved by school boards, and current practices related to storm days.  
19 The legislative management shall report its findings and recommendations, together with any  
20 legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

21           **SECTION 16. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - SCHOOL**

22 **TRANSPORTATION STUDY - ONE-TIME FUNDING.** There is appropriated out of any moneys  
23 in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so  
24 much of the sum as may be necessary, to the university of North Dakota for the purpose of a  
25 school transportation study, for the biennium beginning July 1, 2023, and ending June 30, 2025.  
26 The funding provided in this section is considered a one-time funding item.

27           **SECTION 17. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - GRANTS**

28 **FOR FREE MEALS.** There is appropriated out of any moneys in the general fund in the state  
29 treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be  
30 necessary, to the department of public instruction for the purpose of providing grants to school  
31 districts to defray the expenses of providing meals, free of charge, for all students enrolled in

1 public or nonpublic school at or below two hundred percent of the federal poverty guideline, for  
2 the biennium beginning July 1, 2023, and ending June 30, 2025. The superintendent of public  
3 instruction shall develop guidelines and reporting requirements for the grants.

4 **SECTION 18. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**  
5 **PUBLIC INSTRUCTION - SCIENCE OF READING - REPORT.** There is appropriated out of any  
6 moneys in the public instruction fund in the state treasury, not otherwise appropriated, the sum  
7 of \$1,000,000, or so much of the sum as may be necessary, to the department of public  
8 instruction for the purpose of supporting professional learning related to the science of reading  
9 and implementing systematic direct literacy instruction, for the biennium beginning July 1, 2023,  
10 and ending June 30, 2025. The superintendent of public instruction shall collaborate with the  
11 regional education associations to ensure continuity of access to science of reading training  
12 opportunities and develop support processes to deepen science of reading implementation. The  
13 superintendent of public instruction shall provide quarterly reports to the legislative  
14 management on the implementation and effectiveness of this appropriation on improving  
15 educational outcomes, including the number of teachers trained, an anticipated timeline of  
16 results trends, and any results trends available.

17 **SECTION 19. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**  
18 **PUBLIC INSTRUCTION - DYSLEXIA IDENTIFICATION TRAINING.** There is appropriated out  
19 of any moneys in the public instruction fund in the state treasury, not otherwise appropriated,  
20 the sum of \$279,000, or so much of the sum as may be necessary, to the department of public  
21 instruction for the purpose of providing training in identification of dyslexia characteristics for the  
22 biennium beginning July 1, 2023, and ending June 30, 2025. Each school that instructs  
23 students in kindergarten through third grade may apply to the department for funding to train at  
24 least one educator in the identification of dyslexia characteristics.

25 **SECTION 20. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**  
26 **PUBLIC INSTRUCTION - READING LEARNING PLATFORM TRAINING.** There is  
27 appropriated out of any moneys in the public instruction fund in the state treasury, not otherwise  
28 appropriated, the sum of \$558,000, or so much of the sum as may be necessary, to the  
29 department of public instruction for the purpose of providing training in a reading learning  
30 platform approved by the superintendent of public instruction, for the biennium beginning July 1,  
31 2023, and ending June 30, 2025.



1       **SECTION 21. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND.**

2       Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies  
3       with all statutory payment obligations imposed for the 2021-23 biennium, any moneys remain in  
4       the integrated formula payments line item in subdivision 1 of section 1 of chapter 13 of the 2021  
5       Session Laws, the lesser of \$1,837,000 or the remaining amount must be continued into the  
6       2023-25 biennium and the office of management and budget shall transfer this amount into the  
7       public instruction fund for the purpose of funding professional learning related to the science of  
8       reading and implementing systematic direct literacy instruction, training in identification of  
9       dyslexia characteristics, and reading training for kindergarten through grade three teachers as  
10      appropriated in this Act.

11      **SECTION 22. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

12      **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
13      budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the  
14      school construction assistance revolving loan fund during the biennium beginning July 1, 2023,  
15      and ending June 30, 2025.

16      **SECTION 23. EFFECTIVE DATE.** Section 7 of this Act becomes effective on July 1, 2024.

17      Section 9 of this Act becomes effective on July 1, 2028.