

**SECOND ENGROSSMENT  
with House Amendments  
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, 15.1-27-04.1, 15.1-27-35, 15.1-29-02.1, 15.1-29-12, and  
5 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, state aid payable to school districts, the calculation of average daily  
8 membership, a cross-border attendance contract with South Dakota, the determination of tuition  
9 payments, and school district levies; to provide for a legislative management study; to provide  
10 an appropriation; to provide effective dates; and to provide an expiration date.

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

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

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

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

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

1       **15.1-06-04. School calendar - Length.**

2       1. A school district shall provide for a school calendar that includes:

3           a. ~~At least one hundred seventy five days~~nine hundred sixty-two and one-half hours  
4           of instruction ~~for elementary school students and one thousand fifty hours of~~  
5           instruction for middle and high school students;

6           b. Three holidays, as selected by the board ~~in consultation with district teachers~~  
7           from the list provided for in subdivisions b through j of subsection 1 of section  
8           15.1-06-02;

9           c. No more than two days for:

10           (1) Parent-teacher conferences; or

11           (2) Compensatory time for parent-teacher conferences held outside of regular  
12           school hours; and

13           d. At least ~~two~~three days of professional development.

14       2. a. ~~A~~For the first two days of professional development required by subsection 1, a  
15           day of professional development must consist of:

16           (1) Six hours of professional development, exclusive of meals and other breaks,  
17           conducted within a single day;

18           (2) Six hours of cumulative professional development conducted under the  
19           auspices of a professional learning community; or

20           (3) Two four-hour periods of professional development, exclusive of meals and  
21           other breaks, conducted over two days.

22           b. If a school district offers a four-hour period of professional development, as  
23           permitted in this subsection, the school district may schedule instruction during  
24           other available hours on that same day and be credited with providing one-half  
25           day of instruction to students. This subdivision does not apply unless the one-half  
26           day of instruction equals at least one-half of the time required for a full day of  
27           instruction, as defined in this section.

28       3. If because of weather a school must dismiss before completing a full day of  
29           instruction, the school is responsible for making up only those hours and portions of an  
30           hour between the time of early dismissal and the conclusion of a full day of classroom  
31           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. 0.50 the number of students by which the district's September tenth enrollment  
30          report exceeds the number of students in the prior year's average daily  
31          membership.

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

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

6           **15.1-27-03.1. Weighted average daily membership - Determination.**

- 7           1.    For each school district, the superintendent of public instruction shall multiply by:  
8                   a.    1.00 the number of full-time equivalent students enrolled in an extended  
9                   educational program in accordance with section 15.1-32-17;  
10                  b.    0.60 the number of full-time equivalent students enrolled in a summer education  
11                  program, including a migrant summer education program;  
12                  c.    0.40 the number of full-time equivalent students who:  
13                      (1)   On a test of English language proficiency approved by the superintendent of  
14                      public instruction are determined to be least proficient and placed in the first  
15                      of six categories of proficiency; and  
16                      (2)   Are enrolled in a program of instruction for English language learners;  
17                  d.    0.28 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 first of six categories of proficiency and therefore placed in the second  
21                      of six categories of proficiency; and  
22                      (2)   Are enrolled in a program of instruction for English language learners;  
23                  e.    0.25 the number of full-time equivalent students under the age of twenty-one  
24                  enrolled in grades nine through twelve in an alternative high school;  
25                  f.    0.20 the number of full-time equivalent students enrolled in a home-based  
26                  education program and monitored by the school district under chapter 15.1-23;  
27                  g.    0.17 the number of full-time equivalent students enrolled in an early childhood  
28                  special education program;  
29                  h.    0.15 the number of full-time equivalent students in grades six through eight  
30                  enrolled in an alternative education program for at least an average of fifteen  
31                  hours per week;

- 1           i. 0.10 the number of students enrolled in average daily membership, if the district  
2           has fewer than one hundred students enrolled in average daily membership and  
3           the district consists of an area greater than two hundred seventy-five square  
4           miles [19424.9 hectares], provided that any school district consisting of an area  
5           greater than six hundred square miles [155399 hectares] and enrolling fewer than  
6           fifty students in average daily membership must be deemed to have an  
7           enrollment equal to fifty students in average daily membership;
- 8           j. 0.082 the number of students enrolled in average daily membership, in order to  
9           support the provision of special education services;
- 10          k. 0.07 the number of full-time equivalent students who:
- 11           (1) On a test of English language proficiency approved by the superintendent of  
12           public instruction are determined to be more proficient than students placed  
13           in the second of six categories of proficiency and therefore placed in the  
14           third of six categories of proficiency;
- 15           (2) Are enrolled in a program of instruction for English language learners; and  
16           (3) Have not been in the third of six categories of proficiency for more than  
17           three years;
- 18          l. 0.025 the number of students representing that percentage of the total number of  
19           students in average daily membership which is equivalent to the three-year  
20           average percentage of students in grades three through eight who are eligible for  
21           free or reduced lunches under the Richard B. Russell National School Lunch Act  
22           [42 U.S.C. 1751 et seq.];
- 23          m. 0.002 the number of students enrolled in average daily membership in a school  
24           district that is a participating member of a regional education association meeting  
25           the requirements of chapter 15.1-09.1; and
- 26          n. ~~0.50~~0.60 the number of students by which the district's September tenth  
27           enrollment report exceeds the number of students in the prior year's average  
28           daily membership increasing the factor annually by 0.10, not to exceed 1.00; and
- 29          o. For districts paid based on September tenth enrollment in the prior year, 0.50 the  
30           number of students determined by deducting the number of students in the prior  
31           year's September tenth enrollment from the prior year's average daily

1           membership, increasing the factor annually by 0.10, not to exceed 1.00. If the  
2           prior year's September tenth enrollment exceeds the prior year's average daily  
3           membership, then a deduction of 0.50 the number of excess students, increasing  
4           the factor annually by 0.10, not to exceed 1.00.

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

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

10           **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

- 11           1. To determine the amount of state aid payable to each district, the superintendent of  
12           public instruction shall establish each district's baseline funding. A district's baseline  
13           funding consists of:
- 14           a. All state aid received by the district in accordance with chapter 15.1-27 during the  
15           ~~2012-13~~2018-19 school year;
  - 16           b. ~~The district's 2012-13 mill levy reduction grant, as determined in accordance with~~  
17           ~~chapter 57-64, as it existed on June 30, 2013;~~
  - 18           e. An amount equal to ~~that raised by the district's 2012 general fund levy or that~~  
19           ~~raised by one hundred ten mills of the district's 2012 general fund levy, whichever~~  
20           ~~is less~~the property tax deducted by the superintendent of public instruction to  
21           determine the 2018-19 state aid payment;
  - 22           d. ~~An amount equal to that raised by the district's 2012 long-distance learning and~~  
23           ~~educational technology levy;~~
  - 24           e. ~~An amount equal to that raised by the district's 2012 alternative education~~  
25           ~~program levy; and~~
  - 26           f.c. An amount equal to seventy-five percent of the revenue received by the school  
27           district during the 2017-18 school year for the following revenue types:
    - 28           (1) ~~Seventy-five percent of all revenue received by the school district~~  
29           ~~and~~Revenue reported under code 2000 of the North Dakota school district  
30           financial accounting and reporting manual, as developed by the  
31           superintendent of public instruction in accordance with section 15.1-02-08;



- 1           (2) ~~Seventy-five percent of all mineral~~Mineral revenue received by the school  
2           district through direct allocation from the state treasurer and not reported  
3           under code 2000 of the North Dakota school district financial accounting  
4           and reporting manual, as developed by the superintendent of public  
5           instruction in accordance with section 15.1-02-08;
- 6           (3) ~~Seventy-five percent of all tuition received by the school district and~~Tuition  
7           reported under code 1300 of the North Dakota school district financial  
8           accounting and reporting manual, as developed by the superintendent of  
9           public instruction in accordance with section 15.1-02-08, with the exception  
10          of revenue received specifically for the operation of an educational program  
11          provided at a residential treatment facility and tuition received for the  
12          provision of an adult farm management program;
- 13          (4) ~~Seventy-five percent of all revenue received by the school district~~Revenue  
14          from payments in lieu of taxes on the distribution and transmission of  
15          electric power;
- 16          (5) ~~Seventy-five percent of all revenue received by the school district~~Revenue  
17          from payments in lieu of taxes on electricity generated from sources other  
18          than coal;
- 19          (6) ~~All revenue received by the school district from mobile home taxes;~~
- 20          (7) ~~Seventy-five percent of all revenue received by the school district~~Revenue  
21          from the leasing of land acquired by the United States for which  
22          compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 23          (8) ~~All telecommunications and~~
- 24      d. An amount equal to the total revenue received by the school district during the  
25      2017-18 school year for the following revenue types:
- 26          (1) Mobile home tax revenue;
- 27          (2) Telecommunications tax revenue received by the school district; and
- 28      (9)(3) ~~All revenue received by the school district~~Revenue from payments in lieu of  
29      taxes and state reimbursement of the homestead credit and disabled  
30      veterans credit.

- 1           2.    The superintendent shall divide the district's total baseline funding by the district's  
2            ~~2012-13~~2017-18 weighted student units to determine the district's baseline funding per  
3            weighted student unit.
- 4           3.    a.    ~~In 2017-18~~For the 2019-20 school year, the superintendent shall ~~multiply-~~  
5            ~~the~~calculate state aid as the greater of:
- 6            (1)    The district's weighted student units multiplied by nine thousand ~~six~~eight  
7            hundred ~~forty-six~~thirty-nine dollars.
- 8            (1)    ~~The superintendent shall adjust the product to ensure the product is at least~~  
9            ~~equal to the greater of:~~
- 10           (a)(2)    One hundred ~~eight~~one percent of the district's baseline funding per  
11            weighted student unit, as established in subsection 2, multiplied by the  
12            district's weighted student units ~~from the previous school year,~~ not to exceed  
13            the district's 2017-18 baseline weighted student units, plus any weighted  
14            student units in excess of the 2017-18 baseline weighted student units  
15            multiplied by nine thousand eight hundred thirty-nine dollars; or
- 16            (b)(3)    ~~One hundred percent of the~~The district's baseline funding as established in  
17            subsection 1.
- 18            (2)    ~~The superintendent also shall adjust the product to ensure the product does~~  
19            ~~not exceed one hundred forty percent of the district's baseline funding per~~  
20            ~~weighted student unit multiplied by the district's weighted student units from~~  
21            ~~the previous school year, as established in subsection 2.~~
- 22           b.    ~~In 2018-19~~For the 2020-21 school year and each school year thereafter, the  
23            superintendent shall ~~multiply the~~calculate state aid as the greater of:
- 24            (1)    The district's weighted student units multiplied by ~~nineteen~~ thousand ~~six~~one  
25            hundred ~~forty-six~~thirty-four dollars.
- 26            (1)    ~~The superintendent shall adjust the product to ensure the product is at least~~  
27            ~~equal to the greater of:~~
- 28            (2)
- 29            (a)    One hundred ~~eight~~two percent of the district's baseline funding per  
30            weighted student unit, as established in subsection 2, multiplied by  
31            the district's weighted student units ~~from the previous school year,~~ not

- 1 to exceed the district's 2017-18 baseline weighted student units, plus  
2 any weighted student units in excess of the 2017-18 baseline  
3 weighted student units multiplied by ten thousand one hundred  
4 thirty-four dollars; or
- 5 ~~(b)(3)~~ One hundred percent of theThe district's baseline funding as established in  
6 subsection 1 less the amount in paragraph 1, with the difference reduced by  
7 fifteen percent for the 2021-22 school year and fifteen percent each school  
8 year thereafter, and then the difference added to the amount determined in  
9 paragraph 1.
- 10 c. The superintendent also shall adjust state aid determined in this subsection:
- 11 (1) For the 2019-20 school year, to ensure the amount does not exceed one  
12 hundred five percent of the district's baseline funding per weighted student  
13 unit, as established in subsection 2, multiplied by the district's weighted  
14 student units from the previous school year.
- 15 (2) ~~The superintendent also shall adjust the product~~For the 2020-21 school  
16 year and each school year thereafter, to ensure the product~~amount~~ does not  
17 exceed one hundred forty~~ten~~ percent of the district's baseline funding per  
18 weighted student unit, as established in subsection 2, multiplied by the  
19 district's weighted student units from the previous school year.
- 20 4. After determining the product in accordance with subsection 3, the superintendent of  
21 public instruction shall:
- 22 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23 school district, except the amount in dollars subtracted for purposes of this  
24 subdivision may not exceed the previous year's amount in dollars subtracted for  
25 purposes of this subdivision by more than twelve percent, adjusted pursuant to  
26 section 15.1-27-04.3; and
- 27 b. Subtract an amount equal to seventy-five percent of all revenues~~revenue types~~  
28 listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one  
29 hundred percent of all revenues listed in paragraphs 6, 8, and 9 of  
30 subdivision f~~subdivisions c and d~~ of subsection 1. Before determining the

1                   deduction for seventy-five percent of all revenue types, the superintendent of  
2                   public instruction shall adjust revenues as follows:

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

4                   (a) In addition to deducting tuition revenue received specifically for the  
5                   operation of an educational program provided at a residential  
6                   treatment facility and tuition revenue received for the provision of an  
7                   adult farm management program as directed in paragraph 3 of  
8                   subdivision c of subsection 1, the superintendent of public instruction  
9                   also shall reduce the total tuition reported by the school district by the  
10                  amount of tuition revenue received for the education of students not  
11                  residing in the state and for which the state has not entered a cross-  
12                  border education contract; and

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

18                  (2) After adjusting tuition revenue as provided in paragraph 1, the  
19                  superintendent shall reduce all remaining revenues from all revenue types  
20                  by the percentage of mills levied in the previous calendar year by the school  
21                  district for sinking and interest relative to the total mills levied in the previous  
22                  calendar year by the school district for all purposes.

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

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

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

- 1           a. The amount of revenue received by each school district in the county during the  
2                   previous school year for each type of revenue identified in subdivisions c and d of  
3                   subsection 1;
- 4           b. The total number of mills levied in the previous calendar year by each school  
5                   district for all purposes; and
- 6           c. The number of mills levied in the previous calendar year by each school district  
7                   for sinking and interest fund purposes.

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

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

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

17           **15.1-27-04.3. Adjustment to state aid - Local property tax effort.**

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

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

1           amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1  
2           before adjustment under this section;

3           4. For the 2023-24 school year, increase the amount subtracted by an amount equal to  
4           sixty percent of the difference between the amount generated by sixty mills and the  
5           amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1  
6           before adjustment under this section; and

7           5. For the 2024-25 school year, increase the amount subtracted by an amount equal to  
8           eighty percent of the difference between the amount generated by sixty mills and the  
9           amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1  
10          before adjustment under this section.

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

13          **15.1-27-35. Average daily membership - Calculation.**

14          1. Average daily membership is calculated at the conclusion of the school year by adding  
15          the total number of days that each student in a given grade, school, or school district is  
16          in attendance during a school calendar and the total number of days that each student  
17          in a given grade, school, or school district is absent during a school calendar, and then  
18          dividing the sum by the ~~greater of:~~

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

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

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

23           a. The three holidays listed in subdivisions b through j of subsection 1 of section  
24           15.1-06-02 and selected by the school board in consultation with district  
25           teachers;

26           b. The ~~two~~three days set aside for professional development activities under section  
27           15.1-06-04; and

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

31          3. For purposes of calculating average daily membership:

- 1           a. A student enrolled full time in any grade from one through twelve may not exceed  
2           an average daily membership of 1.00. The membership may be prorated for a  
3           student who is enrolled less than full time.
- 4           b. A student enrolled full time in an approved regular education kindergarten  
5           program may not exceed an average daily membership of 1.00. The membership  
6           may be prorated for a student who is enrolled less than full time.
- 7           c. A student enrolled full time, as defined by the superintendent of public instruction,  
8           in an approved early childhood special education program may not exceed an  
9           average daily membership of 1.00. The membership may be prorated for a  
10          student who is enrolled less than full time.

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

13           **15.1-29-02.1. Cross-border attendance - Contract with South Dakota.**

- 14          1. A student who resides in a North Dakota school district contiguous to the South  
15          Dakota border may attend school in South Dakota, and a student who resides in a  
16          South Dakota school district contiguous to the North Dakota border may attend school  
17          in North Dakota, provided the superintendent of public instruction has entered into a  
18          contract with the secretary of the South Dakota department of education for the  
19          cross-border attendance of eligible students.
- 20          2. A contract entered under subsection 1 must set forth:
  - 21           a. An application procedure;
  - 22           b. Causes for denial of an application; and
  - 23           c. The manner and notification of acceptance.
- 24          3. A contract entered under subsection 1 must authorize the superintendent of public  
25          instruction to count any South Dakota student participating in cross-border attendance  
26          under this section for the purposes of determining the amount of state aid to which a  
27          school district in this state is entitled. The superintendent of public instruction may not  
28          count a North Dakota student participating in cross-border attendance in accordance  
29          with the contract for purposes of determining the amount of state aid to which a school  
30          district in this state is entitled.

- 1           4. A contract entered under subsection 1 must provide that if there are more students  
2           from North Dakota than South Dakota participating in cross-border attendance under  
3           this section, the superintendent of public instruction shall forward to the secretary of  
4           the South Dakota department of education, on behalf of each excess student, an  
5           amount annually agreed to by the superintendent and the secretary as reflecting the  
6           average cost of education per student in the school districts participating in  
7           cross-border attendance in accordance with the contract. The contract must also  
8           provide that if there are more students from South Dakota than North Dakota  
9           participating in cross-border attendance under this section, the secretary shall forward  
10          to the superintendent, on behalf of each excess student, an amount annually agreed  
11          to by the superintendent and the secretary as reflecting the average cost of education  
12          per student in the school districts participating in cross-border attendance in  
13          accordance with the contract. The superintendent shall pay the cost of cross-border  
14          attendance from funds appropriated by the legislative assembly for state aid to  
15          schools. Payments received by the superintendent under this subsection shall be  
16          deposited in the general fund.
- 17          5. ~~The superintendent of public instruction shall annually reconcile the number of~~  
18          ~~students from each school district in this state who participate in cross-border~~  
19          ~~attendance under this section with the number of students from school districts in~~  
20          ~~South Dakota who participate in cross-border attendance under this section. The~~  
21          ~~superintendent of public instruction shall withhold from each school district's state aid~~  
22          ~~an amount equal to the cost incurred by the state on the part of the school district in~~  
23          ~~permitting the cross-border attendance of students under this section.~~
- 24          6. A student who requires special education services may participate in cross-border  
25          attendance under this section, provided the contract entered under subsection 1 sets  
26          forth each school district's and each state's responsibilities for payment of any excess  
27          costs incurred as a result of providing the services to the student.
- 28          7.6. Each school district may provide transportation to students participating in  
29          cross-border attendance under this section. However, the superintendent of public  
30          instruction may include only transportation provided within this state for purposes of  
31          determining the state transportation aid to which a district is entitled.



1     ~~8-7.~~ Sections 15.1-29-01 through 15.1-29-13 do not apply to students participating in  
2             cross-border attendance under this section.

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

5             **15.1-29-12. Tuition payments - Determination.**

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

9             2. a. The admitting district shall determine the cost of education per student for its  
10             kindergarten, elementary, and high school students on the basis of its average  
11             daily membership and those expenditures permitted in determining the cost of  
12             education per student in section 15.1-27-03.  
13             b. To the cost of education per student, the admitting district shall add the latest  
14             available statewide average per student cost for extracurricular activities and the  
15             state average capital outlay per student. The state average capital outlay per  
16             student is determined by dividing the total of all school districts' annual  
17             expenditures for sinking and interest funds, tax receipts to the building funds, and  
18             general fund expenditures for capital outlay by the average daily membership of  
19             the state.

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

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

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

25             d. The amount remaining is the full cost of education per student incurred by the  
26             admitting district. The tuition amount payable for the individual student is the  
27             lesser of:

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

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

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

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

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

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

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

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

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

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

12          (8) Uses portable classrooms; and

13          (9) Has enrollment exceeding school facility capacity.

- 14          3. This section does not affect the right of a school board to charge and collect tuition  
15          from students who are not residents of this state, in accordance with section  
16          15.1-29-02.

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

19          **57-15-14.2. School district levies.**

- 20          1. ~~For taxable years after 2013, the~~The board of a school district may levy a tax not  
21          exceeding the amount in dollars that the school district levied for the prior year, plus  
22          twelve percent and the dollar amount of the adjustment required in section  
23          15.1-27-04.3, up to a levy of seventy mills on the taxable valuation of the district, for  
24          any purpose related to the provision of educational services. The proceeds of this levy  
25          must be deposited into the school district's general fund and used in accordance with  
26          this subsection. The proceeds may not be transferred into any other fund.
- 27          2. ~~For taxable years after 2013, the~~The board of a school district may levy no more than  
28          twelve mills on the taxable valuation of the district, for miscellaneous purposes and  
29          expenses. The proceeds of this levy must be deposited into a special fund known as  
30          the miscellaneous fund and used in accordance with this subsection. The proceeds  
31          may not be transferred into any other fund.

- 1           3. The board of a school district may levy no more than three mills on the taxable  
2           valuation of the district for deposit into a special reserve fund, in accordance with  
3           chapter 57-19.
- 4           4. The board of a school district may levy no more than the number of mills necessary,  
5           on the taxable valuation of the district, for the payment of tuition, in accordance with  
6           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
7           known as the tuition fund and used in accordance with this subsection. The proceeds  
8           may not be transferred into any other fund.
- 9           5. Nothing in this section limits the board of a school district from levying:
- 10           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
11           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
12           including the mills necessary to pay principal and interest on any bonded debt  
13           incurred under section 57-15-17.1 before July 1, 2013.

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

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

24           **SECTION 14. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION**  
25 **FOUNDATION AID STABILIZATION FUND - RAPID ENROLLMENT GRANT ONE-TIME**  
26 **FUNDING.** There is appropriated out of any moneys in the foundation aid stabilization fund in  
27 the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as  
28 may be necessary, to the department of public instruction for the purpose of providing rapid  
29 enrollment grants to school districts, for the biennium beginning July 1, 2019, and ending  
30 June 30, 2021. The funding provided in this section is considered a one-time funding item. The

1 superintendent of public instruction shall award rapid enrollment grants to eligible districts only  
2 during the first year of the 2019-21 biennium based on the following criteria:

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

21 **SECTION 15. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**  
22 **FOUNDATION AID STABILIZATION FUND - STATE AUTOMATED REPORTING SYSTEM.**

23 There is appropriated out of any moneys in the foundation aid stabilization fund in the state  
24 treasury, not otherwise appropriated, the sum of \$1,200,000, or so much of the sum as may be  
25 necessary, to the department of public instruction for the purpose of updating and redesigning  
26 the state automated reporting system application used to gather school district information, for  
27 the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this  
28 section is considered a one-time funding item.

29 **SECTION 16. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**  
30 **FOUNDATION AID STABILIZATION FUND - MUSIC EDUCATION GRANTS.** There is

31 appropriated out of any moneys in the foundation aid stabilization fund in the state treasury, not

1 otherwise appropriated, the sum of \$1,750,000, or so much of the sum as may be necessary, to  
2 the department of public instruction for the purpose of providing music education grants, for the  
3 biennium beginning July 1, 2019, and ending June 30, 2021. The department shall provide  
4 funding to each school district based on the prior year average daily membership and no more  
5 than one-half of the appropriation may be awarded each year of the biennium. School districts  
6 may use the music education grants for instruments, equipment, and supplies related to music  
7 education. The funding may not be used for salaries and wages. The funding provided in this  
8 section is considered a one-time funding item.

9 **SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE - GENERAL FUND -**  
10 **LITERACY INTERVENTION.** There is appropriated out of any moneys in the general fund in  
11 the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as  
12 may be necessary, to the department of commerce for the purpose of providing funding to an  
13 organization providing research-based literacy intervention services to students below grade  
14 four who score below proficient in reading as matching funds for AmeriCorps funding, for the  
15 biennium beginning July 1, 2019, and ending June 30, 2021. The department may spend the  
16 appropriated funds only as authorized in this section. The funding provided in this section is  
17 considered a one-time funding item.

18 **SECTION 18. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - GENERAL**  
19 **FUND - STUDENT BEHAVIORAL HEALTH.** There is appropriated out of any moneys in the  
20 general fund in the state treasury, not otherwise appropriated, the sum of \$1,300,000, or so  
21 much of the sum as may be necessary, to the department of human services for the purpose of  
22 providing grants to school districts to address student behavioral health needs, for the biennium  
23 beginning July 1, 2019, and ending June 30, 2021. To be eligible to receive a grant, a school  
24 district must submit a plan to the department detailing the school district's collaboration with  
25 other school districts in the region regarding student behavioral health needs and the use of  
26 grant funding to develop student behavioral health interventions. The department shall award  
27 student behavioral health grants only during the second year of the 2019-21 biennium. A grant  
28 to an eligible school district is limited to an amount equal to the nonfederal portion of Medicaid  
29 reimbursement received by the school during the first year of the biennium.

30 **SECTION 19. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the  
31 legislative management shall consider studying minimum and maximum payments to school

1 districts included in the state school aid formula, including how school districts could be  
2 transitioned from the minimum and maximum payments and the effects on school districts of  
3 transitioning from the minimum and maximum payments. The legislative management shall  
4 report its findings and recommendations, together with any legislation required to implement the  
5 recommendations, to the sixty-seventh legislative assembly.

6       **SECTION 20. EFFECTIVE DATE.** Section 4 of this Act becomes effective on July 1, 2020.  
7 Section 5 of this Act becomes effective on July 1, 2021. Section 12 of this Act is effective for  
8 taxable years beginning after December 31, 2018. Section 13 of this Act is effective for taxable  
9 years beginning after December 31, 2024. Section 7 of this Act becomes effective on July 1,  
10 2025.

11       **SECTION 21. EXPIRATION DATE.** Section 8 of this Act is effective through June 30, 2025,  
12 and after that date is ineffective.