

HOUSE BILL NO. 1370

Introduced by

Representatives Holman, Hager, Monson, Schreiber-Beck

Senators Luick, Osland

1 A BILL for an Act to amend and reenact section 15.1-27-04.1 of the North Dakota Century
2 Code, relating to state foundation aid payments to school districts.

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

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

6 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

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

- 10 a. All state aid received by the district in accordance with chapter 15.1-27 during the
11 2012-13 school year;
- 12 b. The district's 2012-13 mill levy reduction grant, as determined in accordance with
13 chapter 57-64, as it existed on June 30, 2013;
- 14 c. An amount equal to that raised by the district's 2012 general fund levy or that
15 raised by one hundred ten mills of the district's 2012 general fund levy, whichever
16 is less;
- 17 d. An amount equal to that raised by the district's 2012 long-distance learning and
18 educational technology levy;
- 19 e. An amount equal to that raised by the district's 2012 alternative education
20 program levy; and
- 21 f. An amount equal to:
- 22 (1) Seventy-five percent of all revenue received by the school district and
23 reported under code 2000 of the North Dakota school district financial

1 accounting and reporting manual, as developed by the superintendent of
2 public instruction in accordance with section 15.1-02-08;

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

8 (3) Seventy-five percent of all tuition received by the school district and
9 reported under code 1300 of the North Dakota school district financial
10 accounting and reporting manual, as developed by the superintendent of
11 public instruction in accordance with section 15.1-02-08, with the exception
12 of revenue received specifically for the operation of an educational program
13 provided at a residential treatment facility and tuition received for the
14 provision of an adult farm management program;

15 (4) Seventy-five percent of all revenue received by the school district from
16 payments in lieu of taxes on the distribution and transmission of electric
17 power;

18 (5) Seventy-five percent of all revenue received by the school district from
19 payments in lieu of taxes on electricity generated from sources other than
20 coal;

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

22 (7) Seventy-five percent of all revenue received by the school district from the
23 leasing of land acquired by the United States for which compensation is
24 allocated to the state under 33 U.S.C. 701(c)(3);

25 (8) All telecommunications tax revenue received by the school district; and

26 (9) All revenue received by the school district from payments in lieu of taxes
27 and state reimbursement of the homestead credit and disabled veterans
28 credit.

29 2. The superintendent shall divide the district's total baseline funding by the district's
30 2012-13 weighted student units to determine the district's baseline funding per
31 weighted student unit.

1 3. a. In 2017-18, the superintendent shall multiply the district's weighted student units
2 by nine thousand six hundred forty-six dollars.

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

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

8 (b) One hundred percent of the district's baseline funding as established
9 in subsection 1.

10 (2) The superintendent also shall adjust the product to ensure the product does
11 not exceed one hundred forty percent of the district's baseline funding per
12 weighted student unit multiplied by the district's weighted student units from
13 the previous school year, as established in subsection 2.

14 b. In 2018-19, the superintendent shall multiply the district's weighted student units
15 by nine thousand six hundred forty-six dollars.

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

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

21 (b) One hundred percent of the district's baseline funding as established
22 in subsection 1.

23 (2) The superintendent also shall adjust the product to ensure the product does
24 not exceed one hundred forty percent of the district's baseline funding per
25 weighted student unit, as established in subsection 2, multiplied by the
26 district's weighted student units from the previous school year.

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

29 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
30 school district, except the amount in dollars subtracted for purposes of this

- 1 subdivision may not exceed the previous year's amount in dollars subtracted for
2 purposes of this subdivision by more than twelve percent; and
- 3 b. Subtract an amount equal to seventy-five percent of all revenues listed in
4 paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred
5 percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of
6 subsection 1. Before determining the amount equal to seventy-five percent of
7 tuition revenues in paragraph 3 of subdivision f of subsection 1, the
8 superintendent of public instruction shall reduce the total tuition reported by the
9 school district by the following:
- 10 (1) The amount of tuition revenue received specifically for the operation of an
11 educational program provided at a residential treatment facility;
- 12 (2) The amount of tuition revenue received for the provision of an adult farm
13 management program; and
- 14 (3) The amount of tuition revenue received for the education of nonresident
15 students for which the state has not entered a cross-border education
16 contract.
- 17 5. The amount remaining after the computation required under subsection 4 is the
18 amount of state aid to which a school district is entitled, subject to any other statutory
19 requirements or limitations.