

Sixty-eighth  
Legislative Assembly  
of North Dakota

## 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 15.1-06 and a new section to  
 2 chapter 15.1-32 of the North Dakota Century Code, relating to school purchases of gifts or  
 3 gratuities and permitting private tutors on public school premises; to amend and reenact ~~section-~~  
 4 ~~15.1-01-01~~sections 15.1-01-03, 15.1-07-25.4, and 15.1-07-26, subsection 8 of section  
 5 15.1-15-02, ~~subsection~~subsections 2 and 6 of section 15.1-19-10, section 15.1-27-03.1,  
 6 subsection 4 of section 15.1-27-03.2, ~~section~~sections 15.1-27-04.1, 15.1-36-02, and  
 7 15.1-36-04, and subsection 5 of section 15.1-36-08 of the North Dakota Century Code, relating  
 8 to the state board of public school education members, virtual learning, a policy to revert a  
 9 reorganized school district back to separate districts, school district enrollment, the definition of  
 10 "probationary teacher", a school district's policy governing possession of a weapon, the  
 11 definition of "dangerous weapon", modification of weighting factors and transition maximums,   
 12 loans from the coal development trust fund, evidences of indebtedness, and an increase in per  
 13 student payments; to provide for a legislative management study; to provide a legislative  
 14 management report; to provide for a teacher shortage and military families task force; to provide  
 15 an appropriation; to provide for an exemption; to provide for a transfer; ~~and~~ to provide an  
 16 effective date; and to declare an emergency.

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

18 ~~— SECTION 1. AMENDMENT. Section 15.1-01-01 of the North Dakota Century Code is-~~  
 19 ~~amended and reenacted as follows:~~  
 20 ~~— 15.1-01-01. State board of public school education -- Composition.~~  
 21 ~~— 1. The state board of public school education consists of the superintendent of public-~~  
 22 ~~instruction and:~~

- 1 ~~a. An individual representing Barnes, Cass, Grand Forks, Griggs, Nelson, Steele,~~  
2 ~~and Traill Counties legislative districts ten, eleven, thirteen, sixteen, twenty-one,~~  
3 ~~forty-one, forty-four, and forty-six;~~
- 4 ~~b. An individual representing Benson, Bottineau, Cavalier, McHenry, Pembina,~~  
5 ~~Pierce, Ramsey, Renville, Rolette, Towner, and Walsh Counties legislative districts~~  
6 ~~nine, fifteen, seventeen, eighteen, nineteen, twenty, forty-two, and forty-three;~~
- 7 ~~c. An individual representing Dickey, Emmons, LaMoure, Logan, McIntosh,~~  
8 ~~Ransom, Richland, and Sargent Counties legislative districts twelve, twenty-two,~~  
9 ~~twenty-four, twenty-five, twenty-seven, twenty-eight, twenty-nine, and forty-five;~~
- 10 ~~d. An individual representing Burleigh, Eddy, Foster, Kidder, McLean, Sheridan,~~  
11 ~~Stutsman, and Wells Counties legislative districts seven, eight, thirty, thirty-one,~~  
12 ~~thirty-two, thirty-four, thirty-five, and forty-seven;~~
- 13 ~~e. An individual representing Burke, Divide, McKenzie, Mountrail, Ward, and~~  
14 ~~Williams Counties legislative districts three, four, five, six, fourteen, thirty-three,~~  
15 ~~thirty-eight, and forty; and~~
- 16 ~~f. An individual representing Adams, Billings, Bowman, Dunn, Golden Valley, Grant,~~  
17 ~~Hettinger, Mercer, Morton, Oliver, Sioux, Slope, and Stark Counties legislative~~  
18 ~~districts one, two, twenty-three, twenty-six, thirty-six, thirty-seven, and thirty-nine.~~
- 19 ~~2. All board members other than the superintendent of public instruction must be~~  
20 ~~qualified electors and must reside in one of the counties districts they represent.~~
- 21 ~~3. The governor shall appoint new board members from a list of three names submitted~~  
22 ~~by a committee consisting of the president of North Dakota united or the president's~~  
23 ~~designee, the president of the North Dakota council of educational leaders or the~~  
24 ~~president's designee, and the president of the North Dakota school boards association~~  
25 ~~or the president's designee. Two of the state board members must be members of the~~  
26 ~~North Dakota school boards association. Two of the state board members must be~~  
27 ~~employed by a North Dakota school district and be active members of the North~~  
28 ~~Dakota association of school administrators.~~
- 29 ~~4. Appointees serve for six-year terms, staggered so that the terms of two members~~  
30 ~~expire on June thirtieth of each even-numbered year.~~

- 1 ~~5. If a vacancy occurs, the governor shall appoint an individual to serve for the duration~~  
2 ~~of the unexpired term.~~
- 3 ~~6. Each member of the board is entitled to receive, from the biennial appropriation for the~~  
4 ~~superintendent of public instruction, compensation in the amount of sixty-two dollars~~  
5 ~~and fifty cents per day and reimbursement for expenses, as provided by law for state~~  
6 ~~officers, if the member is attending board meetings or performing duties directed by~~  
7 ~~the board. The compensation provided for in this section may not be paid to any~~  
8 ~~member who receives a salary or other compensation as an employee or official of~~  
9 ~~this state if the individual is serving on the board by virtue of the individual's state~~  
10 ~~office or state employment.~~
- 11 ~~7. The superintendent of public instruction shall serve as the executive director and~~  
12 ~~secretary of the board. The superintendent shall call meetings as necessary, carry out~~  
13 ~~the policies of the board, and employ personnel necessary to perform the board's~~  
14 ~~duties.~~
- 15 ~~8. The board shall annually elect one member to serve as the chairman.~~

16 **SECTION 1. AMENDMENT.** Section 15.1-01-03 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **15.1-01-03. State board of public school education - Powers and duties.**

- 19 1. The state board of public school education shall:
- 20 a. Assist county committees in carrying out their duties.
  - 21 b. Provide county committees with clerical assistance, plans of procedure,  
22 standards, data, maps, forms, and other materials, information, and services.
  - 23 c. Appoint members to the county committee, if the county superintendent does not  
24 fulfill this duty, as provided for in section 15.1-10-01.
  - 25 d. Provide oversight for regional education associations as required by chapter  
26 15.1-09.1.
  - 27 e. Establish and certify a North Dakota learning continuum to allow a  
28 district-approved, mastery framework policy to award units required under  
29 sections 15.1-21-01 and 15.1-21-02 and to waive unit instructional time  
30 requirements under section 15.1-21-03, upon the recommendation of the  
31 kindergarten through grade twelve education coordination council.

1 f. Develop a policy and procedures for a school district formed by the  
2 reorganization process under chapter 15.1-12 to revert to individual school  
3 districts. For a reorganized school district to be eligible for the reversion process,  
4 the reorganized school district must have been formed by school districts located  
5 in two or more communities, including a rural community, and may not have been  
6 formed by school districts that were located in the same city. The board shall  
7 develop the policy and procedures on or before January 1, 2024.

8 2. The state board of public school education may adopt rules in accordance with  
9 chapter 28-32.

10 **SECTION 2.** A new section to chapter 15.1-06 of the North Dakota Century Code is created  
11 and enacted as follows:

12 **Purchase of gifts or gratuities - Gift fund.**

- 13 1. A public school or school district may create a gift fund. The gift fund may not include  
14 state funds.
- 15 2. A public school or school district may use funds from the gift fund to purchase an item  
16 as a gift or gratuity for an individual, including a school district employee, an individual  
17 who speaks or performs at a school function, or a guest on the school premises.
- 18 3. For purposes of this section, "gift" includes:
- 19 a. A beverage, food item, or refreshment;
- 20 b. For parent-teacher conferences, beverages, food items, or refreshments, costing  
21 no more than twenty-five dollars per teacher;
- 22 c. A catered meal costing no more than fifty dollars per meal;
- 23 d. Pens, notepads, or other promotional materials;
- 24 e. An item of cultural significance, including a quilt, basket, beadwork, sage, or  
25 quillwork;
- 26 f. An award or incentive, as approved by the superintendent of public instruction or  
27 the superintendent's designee; and
- 28 g. Any other item of de minimis value.

29 **SECTION 3. AMENDMENT.** Section 15.1-07-25.4 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1 **15.1-07-25.4. Virtual learning - School district policy - Report to legislative**  
2 **management and legislative assembly.**

3 The board of a school district or governing board of a nonpublic school that operates a  
4 physical school plant may adopt a policy to allow students to engage in virtual instruction and in  
5 the case of a school district, qualify for average daily membership in the district. The  
6 superintendent of public instruction shall adopt rules governing policies under this section. A  
7 policy adopted by a school district under this section must comply with the rules adopted by the  
8 superintendent of public instruction. The superintendent of public instruction shall provide  
9 ~~biennial reports~~an annual report to the legislative management ~~regarding~~in even-numbered  
10 years and the legislative assembly in odd-numbered years comparing the academic  
11 performance ~~metries~~ of students participating in virtual instruction with students not participating  
12 in virtual instruction under this section using the statewide prekindergarten through grade twelve  
13 strategic vision framework goals. If the superintendent of public instruction does not have  
14 access to academic performance reports of a school district's virtual instruction subgroup  
15 because of low group size, the district shall provide the annual report required under this  
16 section for the district's comparison data.

17 **SECTION 4. AMENDMENT.** Section 15.1-07-26 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **15.1-07-26. School district ~~demographics~~enrollment - Long-term planning-**  
20 **~~process~~Review - Report.**

21 1. Between January first and June thirtieth of every even-numbered year, the board of  
22 each school district shall invite the public to participate in a ~~planning process~~review  
23 addressing the effects ~~that demographics might~~decreasing or increasing enrollment  
24 will have on the district in the ensuing three-year and five-year periods, and  
25 specifically addressing potential effects on:

- 26 a. Academic ~~and extracurricular programs~~achievement including progress toward  
27 state academic goals adopted by the statewide prekindergarten through grade  
28 twelve education strategic vision steering committee;  
29 b. Instructional~~and~~, administrative, and ancillary staffing;  
30 c. Co-curricular or extracurricular programs;  
31 d. Facility needs and utilization; and

- 1 ~~d.e.~~ District property tax levies.
- 2 2. At the conclusion of the ~~planning process~~ review, the board shall prepare a report,
- 3 ~~publish a notice in the official newspaper of the district indicating that the report is~~
- 4 ~~available~~ submit the report to the superintendent of public instruction by August first of
- 5 each even-numbered year, make the report available on the district website, and make
- 6 the report available upon request.
- 7 3. The superintendent of public instruction shall provide an aggregate report on these
- 8 plans to the legislative assembly.

9 **SECTION 5. AMENDMENT.** Subsection 8 of section 15.1-15-02 of the North Dakota  
10 Century Code is amended and reenacted as follows:

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

13 **SECTION 6. AMENDMENT.** Subsection 2 of section 15.1-19-10 of the North Dakota  
14 Century Code is amended and reenacted as follows:

- 15 2. The policy must ~~prohibit~~:
- 16 a. Prohibit the possession of a dangerous weapon or a firearm by a student on
- 17 school property and at school functions and provide for the punishment of any
- 18 student found to be in violation. ~~Punishment must include immediate suspension~~
- 19 ~~from school and expulsion. A~~
- 20 b. Require a student who possesses a firearm in violation of this section must to be
- 21 expelled for at least one year. ~~The school district firearms policy must authorize~~
- 22 c. Authorize the school district superintendent or the school principal, if the school
- 23 district does not have a superintendent, to modify an expulsion for firearms
- 24 possession under this section on a case-by-case basis in accordance with criteria
- 25 established by the board. Before expelling a student, a school board or its
- 26 designated hearing officer, within ten days of the student's suspension, shall
- 27 provide the student with a hearing at which time the school board or its
- 28 designated hearing officer shall take testimony and consider evidence, including
- 29 the existence of mitigating circumstances. If a designated hearing officer orders
- 30 that a student be expelled, the student may seek a review of the decision by the
- 31 school board, based on the record of the expulsion hearing.

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

3 **SECTION 7. AMENDMENT.** Subsection 6 of section 15.1-19-10 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5 6. For purposes of this section:

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

7 b. "Firearm" has the meaning provided in Public Law No. 90-351 [82 Stat. 197;  
8 18 U.S.C. 921].

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

12 ~~c.~~ "Weapon" includes any switchblade or gravity knife, machete, scimitar, stiletto,  
13 sword, dagger, or knife with a blade of five inches [12.7 centimeters] or more; any  
14 throwing star, nunchaku, or other martial arts weapon; any billy, blackjack, sap,  
15 bludgeon, cudgel, metal knuckles, or sand club; any slungshot; any bow and  
16 arrow, crossbow, or spear; any weapon that will expel, or is readily capable of  
17 expelling, a projectile by the action of a spring, compressed air, or compressed  
18 gas, including any such weapon, loaded or unloaded, commonly referred to as a  
19 BB gun, air rifle, or CO2 gun; and any projector of a bomb or any object  
20 containing or capable of producing and emitting any noxious liquid, gas, or  
21 substance. The term does not include a spray or aerosol containing CS, also  
22 known as ortho-chlorobenzamalonitrile; CN, also known as alpha-  
23 chloroacetophenone; or other irritating agent intended for use in the defense of  
24 an individual, nor does the term include a device that uses voltage for the  
25 defense of an individual, unless the device uses a projectile and voltage or the  
26 device uses a projectile and may be used to apply multiple applications of voltage  
27 during a single incident, then the term includes the device for an individual who is  
28 prohibited from possessing a firearm under this title.

29 **SECTION 8. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **15.1-27-03.1. Weighted average daily membership - Determination.**

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

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

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

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

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

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

12      d. 0.28 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 more proficient than students placed  
15      in the first of six categories of proficiency and therefore placed in the second  
16      of six categories of proficiency; and

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

18      e. 0.25 the number of full-time equivalent students under the age of twenty-one  
19      enrolled in grades nine through twelve in an alternative high school;

20      f. 0.20 the number of full-time equivalent students enrolled in a home-based  
21      education program and monitored by the school district under chapter 15.1-23;

22      g. 0.17 the number of full-time equivalent students enrolled in an early childhood  
23      special education program;

24      h. 0.15 the number of full-time equivalent students in grades six through eight  
25      enrolled in an alternative education program for at least an average of fifteen  
26      hours per week;

27      i. 0.10 the number of students enrolled in average daily membership, if the district  
28      has fewer than one hundred students enrolled in average daily membership and  
29      the district consists of an area greater than two hundred seventy-five square  
30      miles [19424.9 hectares], provided that any school district consisting of an area  
31      greater than six hundred square miles [155399 hectares] and enrolling fewer than



- 1           fifty students in average daily membership must be deemed to have an  
2           enrollment equal to fifty students in average daily membership;
- 3           j. ~~0.082~~0.088 the number of students enrolled in average daily membership, in  
4           order to support the provision of special education services;
- 5           k. 0.07 the number of full-time equivalent students who:
- 6           (1) On a test of English language proficiency approved by the superintendent of  
7           public instruction are determined to be more proficient than students placed  
8           in the second of six categories of proficiency and therefore placed in the  
9           third of six categories of proficiency;
- 10          (2) Are enrolled in a program of instruction for English language learners; and  
11          (3) Have not been in the third of six categories of proficiency for more than  
12          three years;
- 13          l. 0.025 the number of students representing that percentage of the total number of  
14          students in average daily membership which is equivalent to the three-year  
15          average percentage of students in grades three through eight who are eligible for  
16          free or reduced lunches under the Richard B. Russell National School Lunch Act  
17          [42 U.S.C. 1751 et seq.];
- 18          m. 0.002 the number of students enrolled in average daily membership in a school  
19          district that is a participating member of a regional education association meeting  
20          the requirements of chapter 15.1-09.1;
- 21          n. ~~0.601~~0 the number of students by which the district's September tenth  
22          enrollment report, adjusted for students that will generate average daily  
23          membership, exceeds the number of students in the prior year's average daily  
24          membership ~~increasing the factor annually by 0.10, not to exceed 1.00~~; and
- 25          o. For districts paid based on September tenth enrollment in the prior year, ~~0.500~~0.70  
26          the number of students determined by deducting the number of students in the  
27          prior year's September tenth enrollment, adjusted for students that will generate  
28          average daily membership, from the prior year's average daily membership,  
29          increasing the factor annually by 0.10, not to exceed 1.00. If the prior year's  
30          September tenth enrollment exceeds the prior year's average daily membership,

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

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

6           **SECTION 9. AMENDMENT.** Subdivision o of subsection 1 of section 15.1-27-03.1 of the  
7   North Dakota Century Code is amended and reenacted as follows:

8           o.   For districts paid based on September tenth enrollment in the prior year, ~~0.70~~1.00  
9           the number of students determined by deducting the number of students in the  
10          prior year's September tenth enrollment, adjusted for students that will generate  
11          average daily membership, from the prior year's average daily membership,  
12          ~~increasing the factor annually by 0.10, not to exceed 1.00.~~ If the prior year's  
13          September tenth enrollment exceeds the prior year's average daily membership,  
14          then a deduction of ~~0.50~~1.00 the number of excess students, ~~increasing the~~  
15          ~~factor annually by 0.10, not to exceed 1.00.~~

16          **SECTION 10. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota  
17   Century Code is amended and reenacted as follows:

18          4.   The school district size weighting factor determined under this section and multiplied  
19          by a school district's weighted average daily membership equals the district's weighted  
20          student units. ~~For the 2022-23 school year, for school districts that operate multiple~~  
21          ~~kindergarten through grade twelve buildings at least nineteen miles [30.58 kilometers]~~  
22          ~~apart, or multiple buildings at least nineteen miles [30.58 kilometers] apart with no~~  
23          ~~replicated grades, the superintendent of public instruction shall determine the school~~  
24          ~~size weighting factor for each building separately. The superintendent of public~~  
25          ~~instruction shall multiply the school size weighting factor for each building by the~~  
26          ~~school district's weighted average daily membership to determine each building's~~  
27          ~~weighted student units. The superintendent of public instruction shall combine the~~  
28          ~~weighted student units of all buildings in the school district to determine the school~~  
29          ~~district's weighted student units.~~

30          **SECTION 11. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
31   amended and reenacted as follows:

1           **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**  
2 **through June 30, 2025)**

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

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

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

- 1                               2017-18 baseline weighted student units multiplied by ten thousand  
2                               ~~one hundred thirty-six~~ five hundred ~~forty-four~~ ninety-five dollars; or
- 3                               (3) The district's baseline funding as established in subsection 1 less the  
4                               amount in paragraph 1, with the difference reduced by fifteen percent and  
5                               then the difference added to the amount determined in paragraph 1.
- 6                               b. For the ~~2022-23~~ 2024-25 school year and each school year thereafter, the  
7                               superintendent shall calculate state aid as the greater of:
- 8                               (1) The district's weighted student units multiplied by ten thousand ~~two hundred~~  
9                               ~~thirty-seven~~ eight hundred sixty-nine hundred thirteen dollars;
- 10                              (2) One hundred two percent of the district's baseline funding per weighted  
11                              student unit, as established in subsection 2, multiplied by the district's  
12                              weighted student units, not to exceed the district's 2017-18 baseline  
13                              weighted student units, plus any weighted student units in excess of the  
14                              2017-18 baseline weighted student units multiplied by ten thousand  
15                              ~~two hundred thirty-seven~~ eight hundred sixty-nine hundred thirteen dollars; or
- 16                              (3) The district's baseline funding as established in subsection 1 less the  
17                              amount in paragraph 1, with the difference reduced by thirty percent for the  
18                              2022-23 school year and the reduction percentage increasing by fifteen  
19                              percent each school year thereafter until the difference is reduced to zero,  
20                              and then the difference added to the amount determined in paragraph 1.
- 21                              e. ~~The superintendent also shall adjust state aid determined in this subsection to~~  
22                              ~~ensure the amount does not exceed the transition maximum as follows:~~
- 23                              (1) ~~For the 2021-22 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, multiplied by the district's weighted student~~  
26                              ~~units from the previous school year.~~
- 27                              (2) ~~For the 2022-23 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           (3) For the 2023-24 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 twenty 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) For the 2024-25 school year, the transition maximum rate is one hundred  
11          ten percent of the district's baseline funding per weighted student unit, as  
12          established in subsection 2, plus forty percent of the difference between the  
13          rate under paragraph 1 of subdivision b of this subsection and one hundred  
14          ten percent of the district's baseline funding per weighted student unit. The  
15          transition maximum is determined by multiplying the transition maximum  
16          rate, which may not exceed the rate under paragraph 1 of subdivision b of  
17          this subsection, by the district's weighted student units from the previous  
18          school year.
- 19          (5) For the 2025-26 school year, the transition maximum rate is one hundred  
20          ten percent of the district's baseline funding per weighted student unit, as  
21          established in subsection 2, plus sixty percent of the difference between the  
22          rate under paragraph 1 of subdivision b of this subsection and one hundred  
23          ten percent of the district's baseline funding per weighted student unit. The  
24          transition maximum is determined by multiplying the transition maximum  
25          rate, which may not exceed the rate under paragraph 1 of subdivision b of  
26          this subsection, by the district's weighted student units from the previous  
27          school year.
- 28          (6) For the 2026-27 school year, the transition maximum rate is one hundred  
29          ten percent of the district's baseline funding per weighted student unit, as  
30          established in subsection 2, plus eighty percent of the difference between  
31          the rate under paragraph 1 of subdivision b of this subsection and

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

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

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

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

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

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

30                   (b)   The superintendent of public instruction also shall reduce the total  
31                   tuition reported by admitting school districts meeting the requirements



1 of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
2 of tuition revenue received for the education of students residing in an  
3 adjacent school district.

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

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

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

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

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

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

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

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

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

30 a. All state aid received by the district in accordance with chapter 15.1-27 during the  
31 2018-19 school year;

- 1           b. An amount equal to the property tax deducted by the superintendent of public  
2           instruction to determine the 2018-19 state aid payment;
- 3           c. An amount equal to seventy-five percent of the revenue received by the school  
4           district during the 2017-18 school year for the following revenue types:
- 5           (1) Revenue reported under code 2000 of the North Dakota school district  
6           financial accounting and reporting manual, as developed by the  
7           superintendent of public instruction in accordance with section 15.1-02-08;
- 8           (2) Mineral revenue received by the school district through direct allocation from  
9           the state treasurer and not reported under code 2000 of the North Dakota  
10          school district financial accounting and reporting manual, as developed by  
11          the superintendent of public instruction in accordance with section  
12          15.1-02-08;
- 13          (3) Tuition reported under code 1300 of the North Dakota school district  
14          financial accounting and reporting manual, as developed by the  
15          superintendent of public instruction in accordance with section 15.1-02-08,  
16          with the exception of revenue received specifically for the operation of an  
17          educational program provided at a residential treatment facility, tuition  
18          received for the provision of an adult farm management program, and  
19          beginning in the 2025-26 school year, eighty-five percent of tuition received  
20          under an agreement to educate students from a school district on an  
21          air force base with funding received through federal impact aid, until the  
22          2026-27 school year, and each school year thereafter, when all tuition  
23          received under an agreement to educate students from a school district on  
24          an air force base with funding received through federal impact aid must be  
25          excluded from the tuition calculation under this paragraph;
- 26          (4) Revenue from payments in lieu of taxes on the distribution and transmission  
27          of electric power;
- 28          (5) Revenue from payments in lieu of taxes on electricity generated from  
29          sources other than coal; and
- 30          (6) Revenue from the leasing of land acquired by the United States for which  
31          compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

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

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

13 3. a. For the ~~2021-22~~2023-24 school year, the superintendent shall calculate state aid  
14 as the greater of:

15 (1) The district's weighted student units multiplied by ten thousand ~~one hundred~~  
16 ~~thirty-six~~ five hundred ~~forty-four~~ninety-five dollars;

17 (2) One hundred two percent of the district's baseline funding per weighted  
18 student unit, as established in subsection 2, multiplied by the district's  
19 weighted student units, not to exceed the district's 2017-18 baseline  
20 weighted student units, plus any weighted student units in excess of the  
21 2017-18 baseline weighted student units multiplied by ten thousand  
22 ~~one hundred thirty-six~~ five hundred ~~forty-four~~ninety-five dollars; or

23 (3) The district's baseline funding as established in subsection 1 less the  
24 amount in paragraph 1, with the difference reduced by fifteen percent and  
25 then the difference added to the amount determined in paragraph 1.

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

28 (1) The district's weighted student units multiplied by ten thousand ~~two hundred~~  
29 ~~thirty-seven~~eight hundred sixty-nine hundred thirteen 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 two hundred thirty-seven ~~eight hundred sixty~~ nine hundred thirteen 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 thirty percent for the  
7 2022-23 school year and the reduction percentage increasing by fifteen  
8 percent each school year thereafter until the difference is reduced to zero,  
9 and then the difference added to the amount determined in paragraph 1.

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

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

16 (2) ~~For the 2022-23 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, multiplied by the district's weighted student~~  
19 ~~units from the previous school year.~~

20 (3) ~~For the 2023-24 school year, the transition maximum rate is one hundred~~  
21 ~~ten percent of the district's baseline funding per weighted student unit, as~~  
22 ~~established in subsection 2, plus twenty percent of the difference between~~  
23 ~~the rate under paragraph 1 of subdivision b of this subsection and~~  
24 ~~one hundred ten percent of the district's baseline funding per weighted~~  
25 ~~student unit. The transition maximum is determined by multiplying the~~  
26 ~~transition maximum rate, which may not exceed the rate under paragraph 1~~  
27 ~~of subdivision b of this subsection, by the district's weighted student units~~  
28 ~~from the previous school year.~~

29 (4) ~~For the 2024-25 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 forty percent of the difference between the~~

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

7                   (5) For the 2025-26 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 sixty 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                  (6) For the 2026-27 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 eighty percent of the difference between  
19                  the rate under paragraph 1 of subdivision b of this subsection and  
20                  one hundred ten percent of the district's baseline funding per weighted  
21                  student unit. The transition maximum is determined by multiplying the  
22                  transition maximum rate, which may not exceed the rate under paragraph 1  
23                  of subdivision b of this subsection, by the district's weighted student units  
24                  from the previous school year.

- 25                  4. After determining the product in accordance with subsection 3, the superintendent of  
26                  public instruction shall:
- 27                  a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
28                  school district; and
  - 29                  b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
30                  subdivisions c and d of subsection 1. Before determining the deduction for

1                   seventy-five percent of all revenue types, the superintendent of public instruction  
2                   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, tuition revenue received for the provision of an adult  
7                   farm management program, and tuition received under an agreement  
8                   to educate students from a school district on an air force base with  
9                   funding received through federal impact aid as directed each school  
10                  year in paragraph 3 of subdivision c of subsection 1, the  
11                  superintendent of public instruction also shall reduce the total tuition  
12                  reported by the school district by the amount of tuition revenue  
13                  received for the education of students not residing in the state and for  
14                  which the state has not entered a cross-border education contract;  
15                  and

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

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

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

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

- 1           7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
2           with the school districts, shall report the following to the superintendent of public  
3           instruction on an annual basis:
- 4           a. The amount of revenue received by each school district in the county during the  
5           previous school year for each type of revenue identified in subdivisions c and d of  
6           subsection 1;
- 7           b. The total number of mills levied in the previous calendar year by each school  
8           district for all purposes; and
- 9           c. The number of mills levied in the previous calendar year by each school district  
10          for sinking and interest fund purposes.

11          **SECTION 12.** A new section to chapter 15.1-32 of the North Dakota Century Code is  
12          created and enacted as follows:

13          Private tutors.

14          A school district shall permit private tutors to provide tutoring services on school premises.

15          **SECTION 13. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is  
16          amended and reenacted as follows:

17          **15.1-36-02. Coal development trust fund - Board of university and school lands -**  
18          **School construction projects - Unanticipated construction projects and emergency**  
19          **repairs - Loans.**

- 20          1. Up to sixty million dollars from the coal development trust fund is available to the  
21          board of university and school lands for loans under this section.
- 22          2. To be eligible for a loan under this section, the school district must demonstrate a need  
23          based on an unanticipated construction project, an unanticipated replacement project,  
24          or an emergency repair or situation, and the board of a school district shall:
- 25                  a. Obtain the approval of the superintendent of public instruction for the construction  
26                  project under section 15.1-36-01; and
- 27                  b. Submit to the superintendent of public instruction an application containing all  
28                  information deemed necessary by the superintendent, including potential  
29                  alternative sources or methods of financing the construction project.
- 30          3. The superintendent of public instruction shall consider each loan application in the  
31          order ~~it~~ the application received approval under section 15.1-36-01.



1 4. If the superintendent of public instruction approves the loan, the board of university  
2 and school lands shall issue a loan from the coal development trust fund.

3 a. For a loan made under this section:

4 ~~a.~~ (1) The minimum loan amount is two hundred fifty thousand dollars and the  
5 maximum loan amount for which a school district may qualify is ~~two~~five  
6 million dollars;

7 ~~b.~~ (2) The term of the loan is twenty years, unless the board of the school district  
8 requests a shorter term in the written loan application; and

9 ~~c.~~ (3) The interest rate of the loan may not exceed two percent per year.

10 b. For a loan made under this section which includes additional expenses due to  
11 unanticipated construction inflation:

12 (1) The unanticipated construction inflation must have occurred for a  
13 construction project bid after January 1, 2021, and before June 30, 2024;

14 (2) The maximum loan amount for which a school district may qualify is five  
15 million dollars;

16 (3) The interest rate on the loan may not exceed two percent per year;

17 (4) The term of the loan is twenty years, unless the board of the school district  
18 requests a shorter term in the written loan application; and

19 (5) The school district may pledge revenues derived from its general fund levy  
20 authority or other sources of revenue authorized by law.

21 5. a. If a school district seeking a loan under this section received an allocation of the  
22 oil and gas gross production tax during the previous fiscal year in accordance  
23 with chapter 57-51, the board of the district shall provide to the board of  
24 university and school lands, and to the state treasurer, its evidence of  
25 indebtedness indicating ~~that~~ the loan originated under this section.

26 b. If the evidence of indebtedness is payable solely from the school district's  
27 allocation of the oil and gas gross production tax in accordance with section  
28 57-51-15, the loan does not constitute a general obligation of the school district  
29 and may not be considered a debt of the district.

30 c. If a loan made to a school district is payable solely from the district's allocation of  
31 the oil and gas gross production tax in accordance with section 57-51-15, the

1 | terms of the loan must require ~~that~~ the state treasurer withhold the dollar amount  
2 | or percentage specified in the loan agreement, from each of the district's oil and  
3 | gas gross production tax allocations, in order to repay the principal and interest of  
4 | the evidence of indebtedness. The state treasurer shall deposit the amount  
5 | withheld into the fund from which the loan originated.

6 | d. Any evidence of indebtedness executed by the board of a school district under  
7 | this subsection is a negotiable instrument and not subject to taxation by the state  
8 | or any political subdivision of the state.

9 | 6. For purposes of this section, a "construction project" means the purchase, lease,  
10 | erection, or improvement of any structure or facility by a school board, provided the  
11 | acquisition or activity is within a school board's authority.

12 | **SECTION 14. AMENDMENT.** Section 15.1-36-04 of the North Dakota Century Code is  
13 | amended and reenacted as follows:

14 | **15.1-36-04. Evidences of indebtedness.**

15 | The board of a school district may issue and sell evidences of indebtedness under  
16 | ~~chapter~~ chapters 21-02 and 21-03 to finance the construction or improvement of a project  
17 | approved under this chapter. The principal amount of the loan and the evidences of  
18 | indebtedness to repay the loan may not exceed the loan amount for which the district is eligible  
19 | under ~~this~~ chapter 21-03. Evidences of indebtedness issued under this chapter constitute a  
20 | general obligation of the school district.

21 | **SECTION 15. AMENDMENT.** Subsection 5 of section 15.1-36-08 of the North Dakota  
22 | Century Code is amended and reenacted as follows:

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

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

1           b. If the school construction project totals seventy-five million dollars or more, the  
2           maximum loan amount for which a school district may qualify is fifty million  
3           dollars. However, if a school district's unobligated general fund balance on the  
4           preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the  
5           loan amount under this section may not exceed eighty percent of the project's  
6           cost up to a maximum loan amount of forty million dollars;

7           c. The term of the loan is twenty years, unless the board of the school district  
8           requests a shorter term in the written loan application; and

9           e.d. The interest rate of the loan may not exceed two percent per year.

10          e. A district with a school construction loan secured on the open bond market may  
11          apply to refinance the loan when callable with the school construction assistance  
12          revolving loan fund under this subsection.

13          f. A district that qualifies for a loan under subdivision b, which was approved for a  
14          loan of up to ten million dollars for a construction project bid after January 1,  
15          2021, and before June 30, 2024, may apply for a loan in an amount equal to the  
16          difference between fifty million dollars and the amount of the approved loan.

17 ~~— SECTION 12. LEGISLATIVE MANAGEMENT STUDY – SCHOOL TRANSPORTATION~~

18 ~~SERVICES FUNDING. During the 2023-25 interim, the legislative management shall study~~  
19 ~~school transportation services funding. The study must include a review of the formula for~~  
20 ~~funding school transportation services and an assessment of whether a factor-based model~~  
21 ~~would fund school transportation more appropriately. The legislative management shall report~~  
22 ~~its findings and recommendations, together with any legislation required to implement the~~  
23 ~~recommendations, to the sixty-ninth legislative assembly.~~

24 **SECTION 16. LEGISLATIVE MANAGEMENT STUDY - COMPOSITION OF THE STATE**  
25 **BOARD OF PUBLIC SCHOOL EDUCATION.**

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

- c. An evaluation of term limits for board members, including staggering terms to ensure continuity of knowledge;
- d. An evaluation of the benefits and consequences of requiring the composition of the board to include two school district superintendents, two members of a board of a school district, and two citizens at large;
- e. An evaluation of the benefits and consequences of requiring a minimum or maximum number of candidates to be submitted to the governor and permitting the governor to request a new list of potential candidates once; and
- f. An analysis of the role and practices of the county superintendent of schools.

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

**SECTION 17. TEACHER SHORTAGE AND MILITARY FAMILIES TASK FORCE -**

**REPORT TO LEGISLATIVE MANAGEMENT.** During the 2023-24 interim, the superintendent of public instruction shall establish a teacher shortage and military families task force to examine employer recruitment needs, applicable state regulations, and benefit options for kindergarten through grade twelve educators within the state, including potential barriers to military personnel and spouses teaching in the classroom. The task force shall identify immediate and long-term public policy strategies to address teacher shortage and support for military families and spouses. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 18. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - GRANTS**

**FOR FREE MEALS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing grants to school districts to defray the expenses of providing meals, free of charge, for all students enrolled in public school at or below two hundred percent of the federal poverty guideline, for the biennium beginning July 1, 2023, and ending June 30, 2025. The superintendent of public instruction shall develop guidelines and reporting requirements for the grants.

**SECTION 19. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF PUBLIC INSTRUCTION - SCIENCE OF READING - REPORT.** There is appropriated out of any

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

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

19 **SECTION 21. APPROPRIATION - PUBLIC INSTRUCTION FUND - DEPARTMENT OF**  
20 **PUBLIC INSTRUCTION - READING LEARNING PLATFORM TRAINING.** There is  
21 appropriated out of any moneys in the public instruction fund in the state treasury, not otherwise  
22 appropriated, the sum of \$558,000, or so much of the sum as may be necessary, to the  
23 department of public instruction for the purpose of providing training in a reading learning  
24 platform approved by the superintendent of public instruction to one educator in every school  
25 that instructs students in kindergarten through third grade for two years, for the biennium  
26 beginning July 1, 2023, and ending June 30, 2025.

27 **SECTION 22. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND.**  
28 Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies  
29 with all statutory payment obligations imposed for the 2021-23 biennium, any moneys remain in  
30 the integrated formula payments line item in subdivision 1 of section 1 of chapter 13 of the 2021  
31 Session Laws, the lesser of \$1,000,000 or the remaining amount must be continued into the

1 2023-25 biennium and the office of management and budget shall transfer this amount into the  
2 public instruction fund for the purpose of funding professional learning related to the science of  
3 reading and implementing systematic direct literacy instruction as appropriated in section ~~4019~~  
4 of this Act.

5 **SECTION 23. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND.**

6 Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies  
7 with all statutory payment obligations imposed for the 2021-23 biennium, any moneys remain in  
8 the integrated formula payments line item in subdivision 1 of section 1 of chapter 13 of the 2021  
9 Session Laws, the lesser of \$837,000 or the remaining amount must be continued into the  
10 2023-25 biennium and the office of management and budget shall transfer this amount into the  
11 public instruction fund for the purpose of funding training in identification of dyslexia  
12 characteristics and reading training for kindergarten through grade three teachers as  
13 appropriated in sections 20 and 21 of this Act.

14 **SECTION 24. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

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

19 **SECTION 25. EFFECTIVE DATE.** Section ~~59~~ of this Act becomes effective on July 1, 2024.

20 **SECTION 26. EXPIRATION DATE.** Section 13 of this Act is effective through June 30,  
21 2025, and after that date is ineffective.

22 **SECTION 27. EMERGENCY.** Section 13 of this Act is declared to be an emergency  
23 measure.