

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 public instruction, the state library, the school for the deaf, ~~and~~ North Dakota vision services -  
3 school for the blind, and the legislative council; ~~to provide for a transfer to the general fund; to~~  
4 ~~provide for the distribution of funding for gifted and talented programs and other grants; to~~  
5 ~~amend and reenact sections 15.1-02-02 and 15.1-18.1-02 of the North Dakota Century Code,~~  
6 ~~relating to the salary of the superintendent of public instruction and the national board~~  
7 ~~certification program; to provide exemptions; to provide legislative intent; to provide an effective~~  
8 ~~date; and to declare an emergency.~~ to create and enact sections 15.1-27-04.1, 15.1-27-04.2,  
9 and 15.1-27-45 and a new section to chapter 15.1-35 of the North Dakota Century Code,  
10 relating to the determination of state aid payable to school districts; to amend and reenact  
11 sections 15-39.1-28, 15.1-02-02, 15.1-07-32, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47,  
12 15.1-09-48, 15.1-09-49, 15.1-18.1-02, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17,  
13 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09,  
14 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01,  
15 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the salary of the  
16 superintendent of public instruction, the national board certification program, and the  
17 determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and  
18 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special  
19 reserve funds; to provide an appropriation; to provide supplemental assistance payments; to  
20 provide for a transfer; to provide exemptions; to provide legislative intent; to provide for a  
21 legislative management study; to provide for a suspension; to provide an effective date; to  
22 provide an expiration date; and to declare an emergency.

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

1           **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
 2 as may be necessary, are appropriated out of any moneys in the general fund in the state  
 3 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 4 other income, to the department of public instruction, the school for the deaf, North Dakota  
 5 vision services - school for the blind, and the state library for the purpose of defraying the  
 6 expenses of those agencies, for the biennium beginning July 1, 2013, and ending June 30,  
 7 2015, as follows:

8           Subdivision 1.

9   DEPARTMENT OF PUBLIC INSTRUCTION

	Base Level	Adjustments or Enhancements	Appropriation
<del>Salaries and wages</del>	<del>\$14,409,300</del>	<del>\$1,193,105</del>	<del>\$15,602,405</del>
<del>Accrued leave payments</del>	<del>0</del>	<del>322,068</del>	<del>322,068</del>
<del>Operating expenses</del>	<del>29,099,187</del>	<del>531,615</del>	<del>29,630,802</del>
<del>Funding pool for initiatives</del>	<del>0</del>	<del>2,500,000</del>	<del>2,500,000</del>
<del>Grants - state school aid</del>	<del>918,459,478</del>	<del>(918,459,478)</del>	<del>0</del>
<del>Integrated formula payments</del>	<del>0</del>	<del>1,684,550,000</del>	<del>1,684,550,000</del>
<del>Grants - special education contracts</del>	<del>16,000,000</del>	<del>500,000</del>	<del>16,500,000</del>
<del>Grants - transportation</del>	<del>48,500,000</del>	<del>0</del>	<del>48,500,000</del>
<del>Grants - other grants</del>	<del>304,609,393</del>	<del>(33,969,238)</del>	<del>270,640,155</del>
<u>Salaries and wages</u>	<u>\$14,409,300</u>	<u>\$1,531,653</u>	<u>\$15,940,953</u>
<u>Accrued leave payments</u>	<u>0</u>	<u>322,068</u>	<u>322,068</u>
<u>Operating expenses</u>	<u>29,099,187</u>	<u>631,615</u>	<u>29,730,802</u>
<u>Funding pool for initiatives</u>	<u>0</u>	<u>2,750,000</u>	<u>2,750,000</u>
<u>Grants - state school aid</u>	<u>918,459,478</u>	<u>(918,459,478)</u>	<u>0</u>
<u>Integrated formula payments</u>	<u>0</u>	<u>1,752,100,000</u>	<u>1,752,100,000</u>
<u>Grants - special education contracts</u>	<u>16,000,000</u>	<u>500,000</u>	<u>16,500,000</u>
<u>Grants - transportation</u>	<u>48,500,000</u>	<u>5,000,000</u>	<u>53,500,000</u>
<u>Grants - other grants</u>	<u>304,609,393</u>	<u>(32,043,132)</u>	<u>272,566,261</u>
Grants - mill levy reduction	341,790,000	(341,790,000)	0
Rapid enrollment grants	5,000,000	(5,000,000)	0

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1	Transportation efficiency	30,000	0	30,000
2	National board certification	<u>185,000</u>	<u>(65,000)</u>	<u>120,000</u>
3	<del>Total all funds</del>	<del>\$1,678,082,358</del>	<del>\$390,313,072</del>	<del>\$2,068,395,430</del>
4	<del>Less estimated income</del>	<del>434,485,707</del>	<del>2,277,454</del>	<del>436,763,161</del>
5	<del>Total general fund</del>	<del>\$1,243,596,651</del>	<del>\$388,035,618</del>	<del>\$1,631,632,269</del>
6	<u>Total all funds</u>	<u>\$1,678,082,358</u>	<u>\$465,477,726</u>	<u>\$2,143,560,084</u>
7	<u>Less estimated income</u>	<u>434,485,707</u>	<u>2,511,052</u>	<u>436,996,759</u>
8	<u>Total general fund</u>	<u>\$1,243,596,651</u>	<u>\$462,966,674</u>	<u>\$1,706,563,325</u>
9	Full-time equivalent positions	99.75	0.00	99.75

10 Subdivision 2.

11 STATE LIBRARY

12		Adjustments or		
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	<del>Salaries and wages</del>	<del>\$3,450,359</del>	<del>\$254,868</del>	<del>\$3,705,227</del>
15	<del>Accrued leave payments</del>	<del>0</del>	<del>75,354</del>	<del>75,354</del>
16	<del>Operating expenses</del>	<del>1,695,726</del>	<del>200,000</del>	<del>1,895,726</del>
17	<del>Grants</del>	<del>2,252,500</del>	<del>0</del>	<del>2,252,500</del>
18	<del>Total all funds</del>	<del>\$7,398,585</del>	<del>\$530,222</del>	<del>\$7,928,807</del>
19	<del>Less estimated income</del>	<del>2,134,610</del>	<del>253,549</del>	<del>2,388,159</del>
20	<del>Total general fund</del>	<del>\$5,263,975</del>	<del>\$276,673</del>	<del>\$5,540,648</del>
21	<u>Salaries and wages</u>	<u>\$3,450,359</u>	<u>\$329,694</u>	<u>\$3,780,053</u>
22	<u>Accrued leave payments</u>	<u>0</u>	<u>75,354</u>	<u>75,354</u>
23	<u>Operating expenses</u>	<u>1,695,726</u>	<u>200,000</u>	<u>1,895,726</u>
24	<u>Grants</u>	<u>2,252,500</u>	<u>266,500</u>	<u>2,519,000</u>
25	<u>Total all funds</u>	<u>\$7,398,585</u>	<u>\$871,548</u>	<u>\$8,270,133</u>
26	<u>Less estimated income</u>	<u>2,134,610</u>	<u>259,535</u>	<u>2,394,145</u>
27	<u>Total general fund</u>	<u>\$5,263,975</u>	<u>\$612,013</u>	<u>\$5,875,988</u>
28	Full-time equivalent positions	29.75	0.00	29.75

29 Subdivision 3.

30 SCHOOL FOR THE DEAF

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	<del>Salaries and wages</del>	<del>\$5,932,638</del>	<del>\$742,929</del>	<del>\$6,675,567</del>
4	<del>Accrued leave payments</del>	<del>0</del>	<del>134,846</del>	<del>134,846</del>
5	<del>Operating expenses</del>	<del>1,633,911</del>	<del>258,584</del>	<del>1,892,495</del>
6	<u>Salaries and wages</u>	<u>\$5,932,638</u>	<u>\$1,000,267</u>	<u>\$6,932,905</u>
7	<u>Accrued leave payments</u>	<u>0</u>	<u>134,846</u>	<u>134,846</u>
8	<u>Operating expenses</u>	<u>1,633,911</u>	<u>274,883</u>	<u>1,908,794</u>
9	Capital assets	41,700	1,152,321	1,194,021
10	Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
11	<del>Total all funds</del>	<del>\$7,808,249</del>	<del>\$2,288,680</del>	<del>\$10,096,929</del>
12	<del>Less estimated income</del>	<del>1,193,277</del>	<del>1,373,306</del>	<del>2,566,583</del>
13	<del>Total general fund</del>	<del>\$6,614,972</del>	<del>\$915,374</del>	<del>\$7,530,346</del>
14	<u>Total all funds</u>	<u>\$7,808,249</u>	<u>\$2,562,317</u>	<u>\$10,370,566</u>
15	<u>Less estimated income</u>	<u>1,193,277</u>	<u>1,377,910</u>	<u>2,571,187</u>
16	<u>Total general fund</u>	<u>\$6,614,972</u>	<u>\$1,184,407</u>	<u>\$7,799,379</u>
17	Full-time equivalent positions	43.94	0.67	44.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
20				
21				
22	<del>Salaries and wages</del>	<del>\$3,815,825</del>	<del>\$375,245</del>	<del>\$4,191,070</del>
23	<del>Accrued leave payments</del>	<del>0</del>	<del>87,463</del>	<del>87,463</del>
24	<del>Operating expenses</del>	<del>707,006</del>	<del>13,800</del>	<del>720,806</del>
25	<del>Capital assets</del>	<del>39,500</del>	<del>522,900</del>	<del>562,400</del>
26	<del>Total all funds</del>	<del>\$4,562,331</del>	<del>\$999,408</del>	<del>\$5,561,739</del>
27	<del>Less estimated income</del>	<del>835,091</del>	<del>14,693</del>	<del>849,784</del>
28	<del>Total general fund</del>	<del>\$3,727,240</del>	<del>\$984,715</del>	<del>\$4,711,955</del>
29	<del>Full-time equivalent positions</del>	<del>29.50</del>	<del>0.00</del>	<del>29.50</del>
30	<u>Salaries and wages</u>	<u>\$3,815,825</u>	<u>\$599,355</u>	<u>\$4,415,180</u>
31	<u>Accrued leave payments</u>	<u>0</u>	<u>87,463</u>	<u>87,463</u>

1	Operating expenses	707,006	13,800	720,806
2	Capital assets	39,500	3,284,900	3,324,400
3	Total all funds	\$4,562,331	\$3,985,518	\$8,547,849
4	Less estimated income	835,091	18,665	853,756
5	Total general fund	\$3,727,240	\$3,966,853	\$7,694,093
6	Full-time equivalent positions	29.50	0.50	30.00

7 Subdivision 5.

8 BILL TOTAL

9		Adjustments or		
10		Base Level	Enhancements	Appropriation
11	Grand total general fund	\$1,259,202,838	\$390,212,380	\$1,649,415,218
12	Grand total special funds	438,648,685	4,799,955	443,448,640
13	Grand total all funds	\$1,697,851,523	\$395,012,335	\$2,092,863,858
14	Grand total general fund	\$1,259,202,838	\$468,829,947	\$1,728,032,785
15	Grand total special funds	438,648,685	4,167,162	442,815,847
16	Grand total all funds	\$1,697,851,523	\$472,997,109	\$2,170,848,632

17 SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

18 SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time  
19 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and  
20 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

21	One-Time Funding Description	2011-13	2013-15
22	Department of public instruction		
23	IT application rewrite and maintenance	\$384,000	\$0
24	Education standards and practices board database	200,000	0
25	Funding pool for initiatives	0	2,750,000
26	Information technology staffing analysis	0	100,000
27	Early childhood care and education study	0	200,000
28	Governing North Dakota textbook	0	20,000
29	Education jobs fund	21,517,716	0
30	Total department of public instruction all funds	\$22,101,716	\$0
31	Total department of public instruction estimated income	21,717,716	0

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1	<del>Total department of public instruction – general fund</del>	<del>\$384,000</del>	<del>\$0</del>
2	Total department of public instruction - all funds	\$22,101,716	\$3,070,000
3	Total department of public instruction - estimated income	21,717,716	0
4	Total department of public instruction - general fund	\$384,000	\$3,070,000
5	School for the deaf		
6	Extraordinary repairs	\$998,530	\$1,002,259
7	Total school for the deaf - all funds	\$998,530	\$1,002,259
8	Total school for the deaf - estimated income	894,730	1,002,259
9	Total school for the deaf - general fund	\$103,800	\$0
10	North Dakota vision services - school for the blind		
11	Equipment	\$25,500	\$20,200
12	Elevator installation	0	241,500
13	Window replacements	0	189,000
14	Extraordinary repairs	0	90,129
15	Remodel of west wing	0	2,762,000
16	Facility master plan	20,000	0
17	Instructional equipment	24,500	0
18	<del>Total school for the blind – all funds</del>	<del>\$70,000</del>	<del>\$540,829</del>
19	<del>Total school for the blind – estimated income</del>	<del>0</del>	<del>110,329</del>
20	<del>Total school for the blind – general fund</del>	<del>\$70,000</del>	<del>\$430,500</del>
21	Grand total – all funds	\$23,170,246	\$1,543,088
22	Grand total – estimated income	22,612,446	1,112,588
23	Grand total – general fund	\$557,800	\$430,500
24	Total school for the blind - all funds	\$70,000	\$3,302,829
25	Total school for the blind - estimated income	0	110,329
26	Total school for the blind - general fund	\$70,000	\$3,192,500
27	Grand total - all funds	\$23,170,246	\$7,375,088
28	Grand total - estimated income	22,612,446	1,112,588
29	Grand total - general fund	\$557,800	\$6,262,500

30 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the  
31 2015-17 biennium. The department of public instruction, state library, school for the deaf, and

1 North Dakota vision services - school for the blind shall report to the appropriations committees  
2 of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium  
3 beginning July 1, 2013, and ending June 30, 2015.

4 **SECTION 3. APPROPRIATION.** There is appropriated from special funds derived from  
5 federal funds the sum of \$25,000,000, or so much of the sum as may be necessary, to the  
6 superintendent of public instruction for grants for the period beginning with the effective date of  
7 this Act and ending June 30, 2013.

8 **SECTION 4. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$140,326,000,  
9 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is  
10 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund  
11 that becomes available for distribution to public schools is appropriated to the department of  
12 public instruction for that purpose for the biennium beginning July 1, 2013, and ending June 30,  
13 2015.

14 **SECTION 5. TRANSFER - PROPERTY TAX RELIEF SUSTAINABILITY FUND TO THE**  
15 **GENERAL FUND.** The office of management and budget shall transfer the sum of  
16 \$341,790,000 from the property tax relief sustainability fund to the general fund, for the  
17 biennium beginning July 1, 2013, and ending June 30, 2015.

18 ~~—SECTION 6. INFORMATION TECHNOLOGY FULL-TIME EQUIVALENT POSITION~~  
19 ~~TRANSFER -- BUDGET SECTION APPROVAL -- LINE ITEM TRANSFER -- EMERGENCY~~  
20 ~~COMMISSION APPROVAL.~~ The superintendent of public instruction shall transfer six full-time  
21 equivalent information technology positions to the information technology department by  
22 September 30, 2014. If the superintendent of public instruction and the chief information officer  
23 of the information technology department choose not to transfer these positions by  
24 September 30, 2014, the superintendent of public instruction may request budget section  
25 approval for an extension of the transfer deadline. After the positions are transferred, the  
26 department of public instruction may seek emergency commission approval to transfer funding  
27 from the salaries and wages line item to the operating expenses line item to pay for information  
28 technology services provided by the information technology department.

29 ~~—SECTION 7. APPROPRIATION -- INFORMATION TECHNOLOGY DEPARTMENT.~~ There is  
30 appropriated from special funds derived from other income, the sum of \$880,953, or so much of  
31 the sum as may be necessary, to the information technology department for the purpose of

~~defraying the expenses of six full-time equivalent information technology positions transferred from the department of public instruction, for the biennium beginning July 1, 2013, and ending June 30, 2015. The information technology department is authorized six full-time equivalent positions.~~

**SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**

**CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2011-13 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2013.

**SECTION 7. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.**

1. The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

**SECTION 8. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2013-15 biennium, the superintendent of public instruction shall expend up to \$800,000 from the integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.



- 1        1. In order to receive a grant under this section, each regional education association
- 2            must:
- 3            a. Enter a contract with an individual to serve as a coordinator, on a full-time or a
- 4                    part-time basis, for a duration of at least twelve months; and
- 5            b. Provide from other revenue sources at least thirty percent of the total
- 6                    compensation payable to the coordinator.
- 7        2. The maximum grant payable to a regional education association under this section
- 8            during each year of the biennium is the lesser of \$50,000 or seventy percent of the
- 9            total compensation payable to the coordinator.

10        **SECTION 9. TRANSPORTATION GRANTS - DISTRIBUTION.**

- 11        1. During each year of the 2013-15 biennium, the superintendent of public instruction
- 12            shall calculate the payment to which each school district is entitled based on the state
- 13            transportation formula as it existed on June 30, 2001, except that the superintendent
- 14            shall provide reimbursement at the rate of:
- 15            a. One dollar and ~~threethirteen~~ thirteen cents per mile for schoolbuses having a capacity of
- 16                    ten or more passengers;
- 17            b. ~~Forty-six~~ Fifty-two cents per mile for vehicles having a capacity of nine or fewer
- 18                    passengers;
- 19            c. ~~Forty-six~~ Fifty cents per mile, provided:
- 20                    (1) The student being transported is a student with a disability, as defined in
- 21                            chapter 15.1-32;
- 22                    (2) The student's individualized education program plan requires that the
- 23                            student attend a public or a nonpublic school located outside the student's
- 24                            school district of residence;
- 25                    (3) The student is transported by an adult member of the student's family;
- 26                    (4) The student is transported in a vehicle furnished by the student's parents;
- 27                    (5) The student's transportation is paid for by the student's parents; and
- 28                    (6) The reimbursement does not exceed two round trips daily between the
- 29                            student's home and school;
- 30            d. ~~Forty-six~~ Fifty cents per mile, one way, provided:

- 1 (1) The student being transported resides more than two miles from the public
- 2 school that the student attends;
- 3 (2) The student is transported by an adult member of the student's family;
- 4 (3) The student is transported in a vehicle furnished by the student's parents;
- 5 and
- 6 (4) The student's transportation is paid for by the student's parents; and
- 7 e. ~~Twenty-six~~Thirty cents per student for each one-way trip.
- 8 2. The superintendent of public instruction shall use the latest available student
- 9 enrollment count in each school district in applying the provisions of subsection 1.
- 10 3. If any moneys provided for transportation payments in the grants - transportation line
- 11 item in subdivision 1 of section 1 of this Act, remain after application of the formula
- 12 provided for in this section, the superintendent of public instruction shall prorate the
- 13 remaining amounts according to the percentage of the total transportation formula
- 14 amount to which each school district is entitled.
- 15 4. This section does not authorize the reimbursement of any costs incurred in providing
- 16 transportation for student attendance at extracurricular activities or events.

17 **SECTION 10. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION.** The

18 sum of \$150,000, or so much of the sum as may be necessary, included in the grants - other

19 grants line item in subdivision 1 of section 1 of this Act is provided for continuing education

20 grants, for the biennium beginning July 1, 2013, and ending June 30, 2015.

- 21 1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to
- 22 eligible recipients in chronological order, based on the date of an individual's
- 23 application. An eligible recipient must:
- 24 a. (1) Be licensed to teach by the education standards and practices board;
- 25 (2) Have taught in this state during each of the last three school years; and
- 26 (3) Be enrolled at an institution of higher education in this state in either a
- 27 master of education program in educational leadership or a program leading
- 28 to a specialist diploma in educational leadership;
- 29 b. Be pursuing the requirements for a certificate in career development facilitation;
- 30 or
- 31 c. Be pursuing a school counselor credential.

- 1           2. If any of the amount appropriated for this purpose remains after the superintendent of  
2           public instruction has awarded grants to all eligible recipients, the superintendent shall  
3           distribute that amount as an additional per student payment on a prorated basis,  
4           according to the latest available average daily membership of each school district.

5           **SECTION 11. SUPERINTENDENT - SCHOOL FOR THE DEAF - AUTHORIZATION -**

6 **CONTINGENT FUNDING.** The salaries and wages line item in subdivision 3 of section 1 of this  
7 Act includes \$142,242 from the general fund to provide funding for a full-time superintendent at  
8 the school for the deaf. The school for the deaf may use the funding to fill a full-time  
9 superintendent position as directed by the superintendent of public instruction. This funding is  
10 contingent on the superintendent of public instruction certifying to the director of the office of  
11 management and budget that the position has been filled by a full-time superintendent. The  
12 office of management and budget shall prorate the amount of funding available to the school for  
13 the deaf based on the retirement date of the current superintendent of the school for the deaf.

14           **SECTION 12. SUPERINTENDENT - SCHOOL FOR THE BLIND - AUTHORIZATION -**

15 **CONTINGENT FUNDING.** The salaries and wages line item in subdivision 4 of section 1 of this  
16 Act includes \$144,670 from the general fund to provide funding for a full-time superintendent at  
17 the school for the blind. In addition, a .5 full-time equivalent position is added, which is  
18 contingent on a determination made by the superintendent of public instruction that the position  
19 should be filled by a full-time superintendent. The school for the blind may use the funding to fill  
20 a full-time superintendent position as directed by the superintendent of public instruction. This  
21 funding is contingent on the superintendent of public instruction certifying to the director of the  
22 office of management and budget that the position has been filled by a full-time superintendent.  
23 The office of management and budget shall prorate the amount of funding available to the  
24 school for the blind based on the retirement date of the current superintendent of the school for  
25 the blind.

26           **SECTION 13. INDIRECT COST ALLOCATION.** Notwithstanding section 54-44.1-15, the  
27 department of public instruction may deposit indirect cost recoveries in its operating account.

28           **SECTION 14. EXEMPTION - FUNDING POOL FOR INITIATIVES - LINE ITEM**

29 **TRANSFER.** Notwithstanding the provisions of section 54-16-04, the superintendent of public  
30 instruction shall transfer funding from the funding pool for initiatives line item in subdivision 1 of  
31 section 1 of this Act, to the extent necessary, to the appropriate line item for expending the

1 funds for each initiative. The superintendent of public instruction shall report to the office of  
2 management and budget regarding all transfers from the funding pool for initiatives line item.

3 **SECTION 15. INFORMATION TECHNOLOGY STAFFING ANALYSIS.** Subdivision 1 of  
4 section 1 of this Act includes \$100,000 from the general fund for the superintendent of public  
5 instruction to contract with the information technology department and a private consultant to  
6 conduct an information technology staffing analysis for the biennium beginning July 1, 2013,  
7 and ending June 30, 2015. The analysis must include a review of the department of public  
8 instruction information technology staffing duties, responsibilities, and staffing levels and must  
9 consider the feasibility and desirability of transferring additional information technology positions  
10 to the information technology department and must provide recommendations regarding the  
11 appropriate level of information technology staff for the department of public instruction.

12 **SECTION 16. OTHER GRANTS - REPORTING.** The superintendent of public instruction  
13 shall develop a format for reporting on the cost per participant and the outcomes of other grants  
14 and report to the sixty-fourth legislative assembly regarding participation, cost, and outcomes of  
15 these grants.

16 ~~**SECTION 17. DEPARTMENT OF PUBLIC INSTRUCTION STUDY - FEDERAL FUNDING.**~~  
17 ~~The superintendent of public instruction shall study the costs and benefits of accepting federal~~  
18 ~~funds and the consequences of declining federal funds and report its findings to the sixty-fourth~~  
19 ~~legislative assembly.~~

20 ~~**SECTION 18. LEGISLATIVE INTENT - GEARING UP FOR KINDERGARTEN.**~~ It is the  
21 ~~intent of the sixty-third legislative assembly that school districts may participate in the gearing-~~  
22 ~~up for kindergarten program if approved by the school board of the local school district.~~

23 **SECTION 17. LEGISLATIVE INTENT - REIMBURSEMENT OF TITLE FUNDING DUE TO**  
24 **FEDERAL SEQUESTRATION.** If, as a result of the federal sequestration order for fiscal year  
25 2013, issued pursuant to section 251A of the Balanced Budget and Emergency Deficit Control  
26 Act, as amended [2 U.S.C. 901A], school districts experience a reduction in funds provided  
27 under title I, part A of the Elementary and Secondary Education Act of 1965, as amended  
28 [20 U.S.C. 6301, et seq.], it is the intent of the legislative assembly that the superintendent of  
29 public instruction introduce legislation to the sixty-fourth legislative assembly seeking state  
30 funding for school districts to offset these federal funding reductions.

1       **SECTION 18. STATE AID TO PUBLIC LIBRARIES.** The line item entitled grants in  
2 subdivision 2 of section 1 of this Act includes ~~\$1,500,000~~\$1,766,500 for aid to public libraries, of  
3 which no more than one-half is to be expended during the fiscal year ending June 30, 2014.

4       **SECTION 19. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL**  
5 **FOR THE BLIND OPERATING FUND.** Any moneys included in the estimated income line item  
6 in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be  
7 deposited in the North Dakota vision services - school for the blind operating fund in the state  
8 treasury and may be spent subject to appropriation by the legislative assembly.

9       **SECTION 20. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT**  
10 **PROGRAM.** The grants line item contained in subdivision 3 of section 1 of this Act is for the  
11 purpose of providing grants to assist institutions under the control of the state board of higher  
12 education with the cost of interpreters and real-time captioning for students who are deaf or  
13 hard of hearing, for the biennium beginning July 1, 2013, and ending June 30, 2015. Moneys  
14 appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed  
15 pursuant to the provisions of this section:

- 16       1. The school for the deaf shall develop a formula to determine the grant amount for  
17       which an institution is eligible. The formula must be based on a uniform hourly  
18       reimbursement.
- 19       2. To obtain a grant under this section, an institution shall submit to the school for the  
20       deaf, at the time and in the manner directed by the school, invoices showing the  
21       amount expended for interpreters and real-time captioning for students who are deaf  
22       or hard of hearing.
- 23       3. The school for the deaf may not distribute more than fifty percent of the amount  
24       appropriated during the first year of the biennium.
- 25       4. If any grant moneys remain undistributed at the end of the biennium, the school for the  
26       deaf shall provide additional prorated grants to institutions that incurred, during the  
27       biennium, hourly expenses in excess of the formula reimbursement level.
- 28       5. At the request of an institution under the control of the state board of higher education,  
29       the school for the deaf shall consult with the institution and provide advice regarding  
30       the provision of services most appropriate to meet a student's needs.

1       **SECTION 21. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15-39.1-28. Tax levy for teachers' retirement.**

4       Any school district by a resolution of its school board may ~~levy a tax pursuant to~~  
5 ~~subdivision b of subsection 1 of~~ use the proceeds of levies, as permitted by section 57-15-14.2,  
6 ~~the proceeds to be used~~ for the purposes of meeting the district's contribution to the fund arising  
7 under this chapter and to provide the district's share, if any, of contribution to the fund for  
8 contracted employees of either a multidistrict special education board or another school district  
9 where the contracted employees are also providing services to the taxing school district.

10       **SECTION 22. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12       **15.1-02-02. Salary.**

13       The annual salary of the superintendent of public instruction is one hundred ~~two~~ nineteen  
14 thousand ~~eight~~ one hundred ~~sixty-eight~~ thirty-three ~~ninety-two~~ ninety-two dollars through June 30, ~~2012~~ 2014,  
15 and one hundred ~~five~~ twelve ~~thirteen~~ thirteen thousand ~~nine~~ four hundred ~~fifty-four~~ seven ~~ninety-eight~~ ninety-eight  
16 dollars thereafter.

17       **SECTION 23. AMENDMENT.** Section 15.1-07-32 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19       **15.1-07-32. Student performance strategist - Verification - Qualifications.**

20       ~~Beginning with the 2010-11 school year, each~~ Each school district must have available one  
21 full-time equivalent student performance strategist for every four hundred students in average  
22 daily membership in kindergarten through grade three. Each school district shall submit  
23 documentation to the superintendent of public instruction, at the time and in the manner  
24 directed by the superintendent, verifying the amount of time that each student performance  
25 strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to  
26 five, or in providing instructional coaching to teachers. For purposes of this section, a "student  
27 performance strategist" must ~~meet~~:

- 28       1. a. Meet the qualifications of an elementary school teacher as set forth in section  
29       15.1-18-07; or

1            b. Be licensed to teach or approved to teach by the education standards and  
2            practices board and hold a special education endorsement or credential; and  
3            ~~serve-~~

4            2. Serve as a tutor or an instructional coach.

5            **SECTION 24. AMENDMENT.** Section 15.1-09-33 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7            **15.1-09-33. School board - Powers.**

8            The board of a school district may:

- 9            1. Establish a system of free public schools for all children of legal school age residing  
10            within the district.
- 11            2. Organize, establish, operate, and maintain elementary, middle, and high schools.
- 12            3. Have custody and control of all school district property and, in the case of the board of  
13            education of the city of Fargo, have custody and control of all public school property  
14            within the boundaries of the Fargo public school district and to manage and control all  
15            school matters.
- 16            4. Acquire real property and construct school buildings and other facilities.
- 17            5. Relocate or discontinue schools and liquidate the assets of the district as required by  
18            law; provided no site may be acquired or building constructed, or no school may be  
19            organized, established, operated, maintained, discontinued, or changed in location  
20            without the approval of the state board of public school education if outside the  
21            boundary of the district.
- 22            6. Purchase, sell, exchange, and improve real property.
- 23            7. Lease real property for a maximum of one year except in the case of a career and  
24            technical education facility constructed in whole or in part with financing acquired  
25            under chapter 40-57, which may be leased for up to twenty years.
- 26            8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real  
27            property for school purposes.
- 28            9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture,  
29            supplies, and textbooks.
- 30            10. Recruit or contract with others to recruit homes and facilities which provide boarding  
31            care for special education students.

- 1 11. Provide dormitories for the boarding care of special education students.
- 2 12. Insure school district property.
- 3 13. Independently or jointly with other school districts, purchase telecommunications  
4 equipment or lease a telecommunications system or network.
- 5 14. Provide for the education of students by another school district.
- 6 15. Contract with federal officials for the education of students in a federal school.
- 7 16. Prescribe courses of study in addition to those prescribed by the superintendent of  
8 public instruction or by law.
- 9 17. Adopt rules regarding the instruction of students, including their admission, transfer,  
10 organization, grading, and government.
- 11 18. Join the North Dakota high school activities association and pay membership fees.
- 12 19. Adopt alternative curricula for high school seniors who require fewer than four  
13 academic units.
- 14 20. Contract with, employ, and compensate school district personnel.
- 15 21. Contract with and provide reimbursement for the provision of teaching services by an  
16 individual certified as an instructor in the areas of North Dakota American Indian  
17 languages and culture by the education standards and practices board.
- 18 22. Suspend school district personnel.
- 19 23. Dismiss school district personnel.
- 20 24. Participate in group insurance plans and pay all or part of the insurance premiums.
- 21 25. Contract for the services of a district superintendent, provided that the contract, which  
22 may be renewed, does not exceed a period of three years.
- 23 26. Contract for the services of a principal.
- 24 27. Employ an individual to serve as the school district business manager or contract with  
25 any person to perform the duties assigned to a school district business manager by  
26 law.
- 27 28. Suspend or dismiss a school district business manager for cause without prior notice.
- 28 29. Suspend or dismiss a school district business manager without cause with thirty days'  
29 written notice.
- 30 30. Defray the necessary and contingent expenses of the board.



- 1 31. Levy a tax upon property in the district for school purposes, as permitted in
- 2 accordance with chapter 57-15.
- 3 32. Amend and certify budgets and tax levies, as provided in title 57.
- 4 33. Pay dues allowing for the board to hold membership in city, county, state, and national
- 5 organizations and associations.
- 6 34. Designate, at its annual meeting, a newspaper of general circulation as the official
- 7 newspaper of the district.

8 **SECTION 25. AMENDMENT.** Section 15.1-09-39 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **15.1-09-39. Districts in bordering states - Contract.**

- 11 1. Notwithstanding any other provision of law, the board of a school district in this state
- 12 may contract with the board of a school district in another state for the joint operation
- 13 and maintenance of school facilities and for joint activities, if the districts are
- 14 contiguous. To be valid, the contract must be approved by the superintendent of public
- 15 instruction and by a majority of the qualified electors residing in the district.
- 16 2. In assessing the contract, the superintendent shall consider the district's enrollment,
- 17 its valuation, and its longevity.
- 18 3. If the superintendent approves the contract, the board shall submit the contract to the
- 19 electorate of the district, for approval, at an annual or a special election.
- 20 4. The board shall publish notice of the election in the official newspaper of the district at
- 21 least fourteen days before the election. The notice must include a statement regarding
- 22 the purpose of the election and the terms of the contract.
- 23 5. On the ballot, the board shall seek the voters' permission to execute the proposed
- 24 contract, as approved by the superintendent of public instruction.
- 25 6. If the voters approve the execution of the contract, the board may levy and collect
- 26 taxes, as permitted in accordance with chapter 57-15, to carry out the contract
- 27 pursuant to law.
- 28 7. If a district that is a party to a contract under this section dissolves, any district to
- 29 which the land of the dissolved district is attached shall assume the contractual
- 30 responsibilities.

1       **SECTION 26. AMENDMENT.** Section 15.1-09-40 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **15.1-09-40. Sharing of levied taxes - Contract.**

4       The boards of two or more school districts may contract to share levied taxes in all or a  
5 portion of their respective districts. The rate of taxes to be levied on any property in the joint  
6 taxing area or district is the rate of tax provided for in the contract, not exceeding any levy  
7 limitations ~~applicable to the property~~under chapter 57-15. The auditor of each county in which  
8 all or a portion of a contracting district is located shall fix and levy taxes on that portion of the  
9 property which is described in the contract and is located in the county at the rate set by the  
10 contract.

11       **SECTION 27. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13       **15.1-09-47. Board of education of city of Fargo - Taxing authority.**

14       ~~1. The board of education of the city of Fargo may levy taxes, as necessary for any of the~~  
15       ~~following purposes:~~

16       ~~a. To purchase, exchange, lease, or improve sites for schools.~~

17       ~~b. To build, purchase, lease, enlarge, alter, improve, and repair schools and their~~  
18       ~~appurtenances.~~

19       ~~c. To procure, exchange, improve, and repair school apparatus, books, furniture, and~~  
20       ~~appendages, but not the furnishing of textbooks to any student whose parent is~~  
21       ~~unable to furnish the same.~~

22       ~~d. To provide fuel.~~

23       ~~e. To defray the contingent expenses of the board, including the compensation of~~  
24       ~~employees.~~

25       ~~f. To pay teacher salaries after the application of public moneys, which may by law~~  
26       ~~be appropriated and provided for that purpose.~~

27       ~~2. The question of authorizing or discontinuing the unlimited taxing authority of the board~~  
28       ~~of education of the city of Fargo must be submitted to the qualified electors of the~~  
29       ~~Fargo school district at the next regular election upon resolution of the board of~~  
30       ~~education or upon filing with the board a petition containing the signatures of qualified~~  
31       ~~electors of the district equal in number to twenty percent of the individuals enumerated~~

1 ~~in the most recent school district census. However, if the electors approve a~~  
2 ~~discontinuation of the unlimited taxing authority, their approval of the discontinuation~~  
3 ~~may not affect the tax levy effective for the calendar year in which the election is held.~~  
4 ~~In addition, the minimum levy may not be less than the levy that was in force at the~~  
5 ~~time of the election. The board may increase its levy in accordance with section~~  
6 ~~57-15-01. If the district experiences growing enrollment, the board may increase the~~  
7 ~~levy by an amount equal to the amount levied the preceding year per student times the~~  
8 ~~number of additional students enrolled during the new year~~within the requirements or  
9 limitations of this title and title 57.

10 **SECTION 28. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **15.1-09-48. Board of education of city of Fargo - Tax collection.**

13 The board of education of the city of Fargo ~~has the power to~~may levy taxes within the  
14 boundaries of the Fargo public school district and ~~to cause~~ suchthe taxes to be collected in the  
15 same manner as other city taxes, provided the taxes meet the requirements or limitations of this  
16 title and title 57. The business manager of the board of education shall ~~cause~~certify the rate for  
17 each purpose ~~to be certified by the business manager~~ to the city auditor in time to be added to  
18 the annual tax list of the city. ~~It is the duty of the~~The city auditor ~~to~~shall calculate and extend  
19 upon the annual assessment roll and tax list any tax levied by the board of education. The tax  
20 must be collected in the same manner as other city taxes ~~are collected~~. If the city council fails to  
21 levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the  
22 board of education may ~~cause~~make an assessment roll and tax list ~~to be made~~ and submit the  
23 roll to the city auditor with a warrant for the collection of the tax. The board of education may  
24 cause the tax to be collected in the same manner as other city taxes are collected or as  
25 otherwise provided by resolution of the board.

26 **SECTION 29. AMENDMENT.** Section 15.1-09-49 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28 **15.1-09-49. Board of education of city of Fargo - Taxes for buildings.**

29 The amount to be raised for teacher salaries and contingent expenses must be such only  
30 as together with the public money coming to the city from any source is sufficient to establish  
31 and maintain efficient and proper schools for students in the city. The tax for purchasing,

1 leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and  
2 repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the~~  
3 taxable valuation of property ~~of the city in the school district~~. The board of education may borrow,  
4 and when necessary shall borrow, in anticipation of the ~~amount of the~~ taxes to be raised, levied,  
5 and collected.

6 **SECTION 30. AMENDMENT.** Section 15.1-18.1-02 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-18.1-02. National board certification program - Recertification - Board duties.**

9 1. The board shall:

- 10 a. Inform teachers of the national board certification program and the scholarships  
11 and services the national board provides to teachers seeking certification.
- 12 b. Collect and review in the order received scholarship applications from individuals  
13 who are licensed to teach by the board or approved to teach by the board.
- 14 c. (1) Approve no more than seventeen applications per year under this  
15 subsection;
- 16 (2) During each year of the biennium, reserve three of the available  
17 scholarships under this subsection until October first for individuals teaching  
18 at low-performing schools. At that time, the three slots, if not filled, become  
19 available to all other applicants;
- 20 (3) Require the recipient for a scholarship under this subsection to serve during  
21 the school year as a full-time classroom teacher in a public or nonpublic  
22 school in this state; and
- 23 (4) If available, require the recipient for a scholarship under this subsection to  
24 participate in mentoring programs developed and implemented in the  
25 employing school or school district.
- 26 d. Ensure that all scholarship recipients under this subsection receive adequate  
27 information regarding the level of commitment required to acquire certification.

28 2. The board shall collect and review in the order received scholarship applications for  
29 national board recertification from individuals who are licensed to teach by the board  
30 or approved to teach by the board and:

- 1           a. Approve no more than three scholarship applications per year under this  
2           subsection;
- 3           b. Require each recipient for a scholarship under this subsection to serve during the  
4           school year as a full-time classroom teacher in a public or nonpublic school in  
5           this state; and
- 6           c. If available, require each recipient for a scholarship under this subsection to  
7           participate in mentoring programs developed and implemented in the employing  
8           school or school district.
- 9           3. If any individual who receives a scholarship under this section does not complete the  
10          certification process within the time allotted by the board, the individual must  
11          reimburse the state an amount equal to one-half of the amount awarded to the  
12          individual as a scholarship.
- 13          4. ~~The board shall pay to any individual who received national board certification before~~  
14          ~~July 1, 2007, one thousand dollars for each year the individual has maintained and~~  
15          ~~continues to maintain national board certification, provided the individual continues to~~  
16          ~~be employed by a school district in this state. An individual may not receive more than~~  
17          ~~four thousand dollars under this subsection.~~
- 18          ~~5.~~ a. At the conclusion of each school year after an individual receives national board  
19          certification, the board shall pay to an individual an additional one thousand five  
20          hundred dollars for the life of the national board certificate if:
- 21          (1)a. The individual was employed during the school year as a full-time classroom  
22          teacher by a school district in this state; and
- 23          (2)b. The individual participated in any efforts of the employing school district to  
24          develop and implement teacher mentoring programs.
- 25          b. ~~The payment provided for in this subsection is available beginning with the~~  
26          ~~2007-08 school year.~~
- 27          ~~6.5.~~ A contract negotiated under chapter 15.1-16 may not preclude or limit the ability of a  
28          school district or any other entity, public or private, from providing any remuneration to  
29          a teacher who has obtained national board certification. Any remuneration received by  
30          a teacher as a consequence of having obtained national board certification is in

1 addition to any other compensation otherwise payable as a result of any contract  
2 negotiated under chapter 15.1-16.

3 **SECTION 31. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **15.1-22-01. Kindergarten - Establishment by board - Request by parent--Levy.**

6 ~~1.~~—The board of a school district shall either provide at least a half-day kindergarten  
7 program for any student enrolled in the district or pay the tuition required for the student to  
8 attend a kindergarten program in another school district.

9 ~~2.~~—~~The board of a school district that establishes a kindergarten under this section may~~  
10 ~~levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

11 **SECTION 32. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015) Weighted**  
14 **average daily membership - Determination.**

- 15 1. For each school district, the superintendent of public instruction shall multiply by:
- 16 a. 1.00 the number of full-time equivalent students enrolled in a migrant summer  
17 program;
- 18 b. 1.00 the number of full-time equivalent students enrolled in an extended  
19 educational program in accordance with section 15.1-32-17;
- 20 c. 0.60 the number of full-time equivalent students enrolled in a summer education  
21 program;
- 22 d. 0.50 the number of full-time equivalent students enrolled in a home-based  
23 education program and monitored by the school district under chapter 15.1-23;
- 24 e. 0.30 the number of full-time equivalent students who:
- 25 (1) On a test of English language proficiency approved by the superintendent of  
26 public instruction are determined to be least proficient and placed in the first  
27 of six categories of proficiency; and
- 28 (2) Are enrolled in a program of instruction for English language learners;
- 29 f. 0.25 the number of full-time equivalent students enrolled in an alternative high  
30 school;

- 1 g. 0.20 the number of full-time equivalent students attending school in a bordering  
2 state in accordance with section 15.1-29-01;
- 3 h. 0.20 the number of full-time equivalent students who:  
4 (1) On a test of English language proficiency approved by the superintendent of  
5 public instruction are determined to be more proficient than students placed  
6 in the first of six categories of proficiency and therefore placed in the second  
7 of six categories of proficiency; and  
8 (2) Are enrolled in a program of instruction for English language learners;
- 9 i. 0.17 the number of full-time equivalent students enrolled in an early childhood  
10 special education program;
- 11 j. 0.10 the number of students enrolled in average daily membership, if the district  
12 has fewer than one hundred students enrolled in average daily membership and  
13 the district consists of an area greater than two hundred seventy-five square  
14 miles [19424.9 hectares], provided that any school district consisting of an area  
15 greater than six hundred square miles [155399 hectares] and enrolling fewer than  
16 fifty students in average daily membership must be deemed to have an  
17 enrollment equal to fifty students in average daily membership;
- 18 k. ~~0.0790~~0.082 the number of students enrolled in average daily membership, in  
19 order to support the provision of special education services;
- 20 l. 0.07 the number of full-time equivalent students who:  
21 (1) On a test of English language proficiency approved by the superintendent of  
22 public instruction are determined to be more proficient than students placed  
23 in the second of six categories of proficiency and therefore placed in the  
24 third of six categories of proficiency;  
25 (2) Are enrolled in a program of instruction for English language learners; and  
26 (3) Have not been in the third of six categories of proficiency for more than  
27 three years;
- 28 m. 0.025 the number of students representing that percentage of the total number of  
29 students in average daily membership which is equivalent to the three-year  
30 average percentage of students in grades three through eight who are eligible for

- 1 free or reduced lunches under the Richard B. Russell National School Lunch Act  
2 [42 U.S.C. 1751 et seq.];
- 3 n. 0.006 the number of students enrolled in average daily membership in each  
4 public school in the district that:
- 5 (1) Has acquired and is utilizing the PowerSchool student information system;  
6 (2) Has acquired and is in the process of implementing the PowerSchool  
7 student information system; or  
8 (3) Will acquire the PowerSchool student information system during the current  
9 school year, provided the acquisition is contractually demonstrated; and
- 10 o. 0.004 the number of students enrolled in average daily membership in a school  
11 district that is a participating member of a regional education association meeting  
12 the requirements of chapter 15.1-09.1.
- 13 2. The superintendent of public instruction shall determine each school district's weighted  
14 average daily membership by adding the products derived under subsection 1 to the  
15 district's average daily membership.
- 16 **(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership -**  
17 **Determination.**
- 18 1. For each school district, the superintendent of public instruction shall multiply by:
- 19 a. 1.00 the number of full-time equivalent students enrolled in a migrant summer  
20 program;
- 21 b. 1.00 the number of full-time equivalent students enrolled in an extended  
22 educational program in accordance with section 15.1-32-17;
- 23 c. 0.60 the number of full-time equivalent students enrolled in a summer education  
24 program;
- 25 d. ~~0.50~~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 e. 0.30 the number of full-time equivalent students who:
- 28 (1) On a test of English language proficiency approved by the superintendent of  
29 public instruction are determined to be least proficient and placed in the first  
30 of six categories of proficiency; and  
31 (2) Are enrolled in a program of instruction for English language learners;



- 1 f. 0.25 the number of full-time equivalent students enrolled in an alternative high  
2 school;
- 3 g. 0.20 the number of full-time equivalent students attending school in a bordering  
4 state in accordance with section 15.1-29-01;
- 5 h. 0.20 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 first of six categories of proficiency and therefore placed in the second  
9 of six categories of proficiency; and  
10 (2) Are enrolled in a program of instruction for English language learners;
- 11 i. 0.17 the number of full-time equivalent students enrolled in an early childhood  
12 special education program;
- 13 j. 0.15 the number of full-time equivalent students in grades six through eight  
14 enrolled in an alternative education program for at least an average of fifteen  
15 hours per week;
- 16 k. 0.10 the number of students enrolled in average daily membership, if the district  
17 has fewer than one hundred students enrolled in average daily membership and  
18 the district consists of an area greater than two hundred seventy-five square  
19 miles [19424.9 hectares], provided that any school district consisting of an area  
20 greater than six hundred square miles [155399 hectares] and enrolling fewer than  
21 fifty students in average daily membership must be deemed to have an  
22 enrollment equal to fifty students in average daily membership;
- 23 l. ~~0.079~~0.082 the number of students enrolled in average daily membership, in  
24 order to support the provision of special education services;
- 25 m. 0.07 the number of full-time equivalent students who:  
26 (1) On a test of English language proficiency approved by the superintendent of  
27 public instruction are determined to be more proficient than students placed  
28 in the second of six categories of proficiency and therefore placed in the  
29 third of six categories of proficiency;  
30 (2) Are enrolled in a program of instruction for English language learners; and

- 1 (3) Have not been in the third of six categories of proficiency for more than  
2 three years;
- 3 n. 0.025 the number of students representing that percentage of the total number of  
4 students in average daily membership which is equivalent to the three-year  
5 average percentage of students in grades three through eight who are eligible for  
6 free or reduced lunches under the Richard B. Russell National School Lunch Act  
7 [42 U.S.C. 1751 et seq.];
- 8 o. ~~0.006~~0.003 the number of students enrolled in average daily membership in each  
9 public school in the district that:
- 10 (1) Has acquired and is utilizing the PowerSchool student information system;
- 11 (2) Has acquired and is in the process of implementing the PowerSchool  
12 student information system; or
- 13 (3) Will acquire the PowerSchool student information system during the current  
14 school year, provided the acquisition is contractually demonstrated; and
- 15 p. ~~0.004~~0.002 the number of students enrolled in average daily membership in a  
16 school district that is a participating member of a regional education association  
17 meeting the requirements of chapter 15.1-09.1.
- 18 2. The superintendent of public instruction shall determine each school district's weighted  
19 average daily membership by adding the products derived under subsection 1 to the  
20 district's average daily membership.

21 **SECTION 33. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **15.1-27-03.2. School district size weighting factor - Weighted student units.**

- 24 1. For each high school district in the state, the superintendent of public instruction shall  
25 assign a school district size weighting factor of:
- 26 a. ~~4.25~~1.35 if the students in average daily membership number fewer than ~~485~~125;
- 27 b. 1.34 if the students in average daily membership number at least 125 but fewer  
28 than 130;
- 29 c. 1.33 if the students in average daily membership number at least 130 but fewer  
30 than 135;

- 1 d. 1.32 if the students in average daily membership number at least 135 but fewer  
2 than 140;
- 3 e. 1.31 if the students in average daily membership number at least 140 but fewer  
4 than 145;
- 5 f. 1.30 if the students in average daily membership number at least 145 but fewer  
6 than 150;
- 7 g. 1.29 if the students in average daily membership number at least 150 but fewer  
8 than 155;
- 9 h. 1.28 if the students in average daily membership number at least 155 but fewer  
10 than 160;
- 11 i. 1.27 if the students in average daily membership number at least 160 but fewer  
12 than 165;
- 13 j. 1.26 if the students in average daily membership number at least 165 but fewer  
14 than 175;
- 15 k. 1.25 if the students in average daily membership number at least 175 but fewer  
16 than 185;
- 17 ~~b-l.~~ 1.24 if the students in average daily membership number at least 185 but fewer  
18 than 200;
- 19 ~~e-m.~~ 1.23 if the students in average daily membership number at least 200 but fewer  
20 than 215;
- 21 ~~d-n.~~ 1.22 if the students in average daily membership number at least 215 but fewer  
22 than 230;
- 23 ~~e-o.~~ 1.21 if the students in average daily membership number at least 230 but fewer  
24 than 245;
- 25 ~~f-p.~~ 1.20 if the students in average daily membership number at least 245 but fewer  
26 than 260;
- 27 ~~g-q.~~ 1.19 if the students in average daily membership number at least 260 but fewer  
28 than 270;
- 29 ~~h-r.~~ 1.18 if the students in average daily membership number at least 270 but fewer  
30 than 275;

1	<u>i.s.</u>	1.17 if the students in average daily membership number at least 275 but fewer
2		than 280;
3	<u>j.t.</u>	1.16 if the students in average daily membership number at least 280 but fewer
4		than 285;
5	<u>k.u.</u>	1.15 if the students in average daily membership number at least 285 but fewer
6		than 290;
7	<u>l.v.</u>	1.14 if the students in average daily membership number at least 290 but fewer
8		than 295;
9	<u>m.w.</u>	1.13 if the students in average daily membership number at least 295 but fewer
10		than 300;
11	<u>n.x.</u>	1.12 if the students in average daily membership number at least 300 but fewer
12		than 305;
13	<u>o.y.</u>	1.11 if the students in average daily membership number at least 305 but fewer
14		than 310;
15	<u>p.z.</u>	1.10 if the students in average daily membership number at least 310 but fewer
16		than 320;
17	<u>q.aa.</u>	1.09 if the students in average daily membership number at least 320 but fewer
18		than 335;
19	<u>r.bb.</u>	1.08 if the students in average daily membership number at least 335 but fewer
20		than 350;
21	<u>s.cc.</u>	1.07 if the students in average daily membership number at least 350 but fewer
22		than 360;
23	<u>t.dd.</u>	1.06 if the students in average daily membership number at least 360 but fewer
24		than 370;
25	<u>u.ee.</u>	1.05 if the students in average daily membership number at least 370 but fewer
26		than 380;
27	<u>v.ff.</u>	1.04 if the students in average daily membership number at least 380 but fewer
28		than 390;
29	<u>w.gg.</u>	1.03 if the students in average daily membership number at least 390 but fewer
30		than 400;

- 1        ~~x. hh.~~    1.02 if the students in average daily membership number at least 400 but fewer  
2                    than 600;
- 3        ~~y. ii.~~    1.01 if the students in average daily membership number at least 600 but fewer  
4                    than 900; and
- 5        ~~z. jj.~~    1.00 if the students in average daily membership number at least 900.
- 6        2.    For each elementary district in the state, the superintendent of public instruction shall  
7                    assign a weighting factor of:
- 8            a.    1.25 if the students in average daily membership number fewer than 125;  
9            b.    1.17 if the students in average daily membership number at least 125 but fewer  
10                    than 200; and
- 11            c.    1.00 if the students in average daily membership number at least 200.
- 12        3.    The school district size weighting factor determined under this section and multiplied  
13                    by a school district's weighted average daily membership equals the district's weighted  
14                    student units.
- 15        4.    Notwithstanding the provisions of this section, the school district size weighting factor  
16                    assigned to a district may not be less than the factor arrived at when the highest  
17                    number of students possible in average daily membership is multiplied by the school  
18                    district size weighting factor for the subdivision immediately preceding the district's  
19                    actual subdivision and then divided by the district's average daily membership.

20        **SECTION 34.** Section 15.1-27-04.1 of the North Dakota Century Code is created and  
21        enacted as follows:

22        **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

- 23        1.    In order to determine the amount of state aid payable to each district, the  
24                    superintendent of public instruction shall establish each district's baseline funding. A  
25                    district's baseline funding consists of:
- 26            a.    All state aid received by the district in accordance with chapter 15.1-27 during the  
27                    2012-13 school year;
- 28            b.    The district's 2012-13 mill levy reduction grant, as determined in accordance with  
29                    chapter 57-64, as it existed on June 30, 2013;

1           c. An amount equal to that raised by the district's 2012 general fund levy or that  
2           raised by one hundred ten mills of the district's 2012 general fund levy, whichever  
3           is less;

4           d. An amount equal to that raised by the district's 2012 long-distance learning and  
5           educational technology levy;

6           e. An amount equal to that raised by the district's 2012 alternative education  
7           program levy; and

8           f. An amount equal to:

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

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

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

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

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

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

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

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

5                   (9) All revenue received by the school district from payments in lieu of taxes  
6                   and state reimbursement of the homestead credit and disabled veterans'  
7                   credit.

8           2. The superintendent shall divide the district's total baseline funding by the district's  
9           2012-13 weighted student units in order to determine the district's baseline funding per  
10           weighted student unit.

11          3. a. In 2013-14, the superintendent shall multiply the district's weighted student units  
12           by eight thousand eight hundred ten dollars.

13           (1) The superintendent shall adjust the product to ensure that the product is at  
14           least equal to the greater of:

15           (a) One hundred two percent of the district's baseline funding per  
16           weighted student unit, as established in subsection 2, multiplied by  
17           the district's 2013-14 weighted student units; or

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

20           (2) The superintendent shall also adjust the product to ensure that the product  
21           does not exceed one hundred ten percent of the district's baseline funding  
22           per weighted student unit multiplied by the district's 2013-14 weighted  
23           student units, as established in subsection 2.

24          b. In 2014-15, the superintendent shall multiply the district's weighted student units  
25           by nine thousand ninety-two dollars.

26           (1) The superintendent shall adjust the product to ensure that the product is at  
27           least equal to the greater of:

28           (a) One hundred four percent of the district's baseline funding per  
29           weighted student unit, as established in subsection 2, multiplied by  
30           the district's 2014-15 weighted student units; or

- 1 (b) One hundred percent of the district's baseline funding as established  
2 in subsection 1.
- 3 (2) The superintendent shall also adjust the product to ensure that the product  
4 does not exceed one hundred twenty percent of the district's baseline  
5 funding per weighted student unit, as established in subsection 2, multiplied  
6 by the district's 2014-15 weighted student units.
- 7 4. After determining the product in accordance with subsection 3, the superintendent of  
8 public instruction shall:
- 9 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
10 school district, provided that after 2013, the amount in dollars subtracted for  
11 purposes of this subdivision may not exceed the previous year's amount in  
12 dollars subtracted for purposes of this subdivision by more than twelve percent;  
13 and
- 14 b. Subtract an amount equal to seventy-five percent of all revenues listed in  
15 paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred  
16 percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of  
17 subsection 1.
- 18 5. The amount remaining after the computation required under subsection 4 is the  
19 amount of state aid to which a school district is entitled, subject to any other statutory  
20 requirements or limitations.

21 **SECTION 35.** Section 15.1-27-04.2 of the North Dakota Century Code is created and  
22 enacted as follows:

23 **15.1-27-04.2. State aid - Minimum local effort - Determination.**

24 If a district's taxable valuation per student is less than twenty percent of the state average  
25 valuation per student, the superintendent of public instruction, for purposes of determining state  
26 aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times  
27 twenty percent of the state average valuation per student multiplied by the number of weighted  
28 student units in the district.

29 **SECTION 36. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is  
30 amended and reenacted as follows:



1       **15.1-27-17. Per student payments - Reorganization of school districts - Separate**  
2 **weighting factor.**

3       1. Notwithstanding ~~the provisions of~~ section 15.1-27-03.2, the superintendent of public  
4 instruction shall create and assign a separate weighting factor to:

5 ~~a. Any school district that reorganized on or before June 30, 2007, and which was~~  
6 ~~receiving per student payments in accordance with section 15.1-27-17, as that~~  
7 ~~section existed on June 30, 2007; and~~

8 ~~b. Any any school district that reorganizes on or after July 1, 2007.~~

9       2. a. The separate weighting factor must allow the reorganized school district to  
10 receive a payment rate equivalent to that which each separate school district  
11 would have received had the reorganization not taken place.

12       b. The separate weighting factor must be computed to four decimal places.

13       c. The provisions of this subsection are effective for a period of four years from the  
14 date of the reorganization.

15       3. At the beginning of the fifth and at the beginning of the sixth years after the date of the  
16 reorganization, the superintendent of public instruction shall make proportionate  
17 adjustments in the assigned weighting factor so that beginning with the seventh year  
18 after the date of the reorganization, the weighting factor that will be applied to the  
19 reorganized district is that provided in section 15.1-27-03.2.

20       **SECTION 37. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22       **15.1-27-35. Average daily membership - Calculation.**

23       1. a. ~~During the 2009-10 school year, average daily membership is calculated at the~~  
24 ~~conclusion of the school year by adding the total number of days that each student in~~  
25 ~~a given grade, school, or school district is in attendance during a school calendar and~~  
26 ~~the total number of days that each student in a given grade, school, or school district is~~  
27 ~~absent during a school calendar, and then dividing the sum by the greater of:~~

28 ~~(1) The school district's calendar; or~~

29 ~~(2) One hundred eighty.~~

30 ~~b. During the 2010-11 school year, average daily membership is calculated at the~~  
31 ~~conclusion of the school year by adding the total number of days that each~~

~~student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~

~~(1) The school district's calendar; or~~

~~(2) One hundred eighty-one.~~

~~c. Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:

~~(1)~~a. The school district's calendar; or

~~(2)~~b. One hundred eighty-two.

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

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

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

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

3. For purposes of calculating average daily membership:

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

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

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

5 **SECTION 38. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15.1-27-35.3. Payments to school districts - Unobligated general fund balance.**

- 8 1. a. The superintendent of public instruction shall determine the amount of payments  
9 due a school district and shall subtract from that the amount by which the  
10 unobligated general fund balance of the district on the preceding June thirtieth is  
11 in excess of forty-five percent of its actual expenditures, plus twenty thousand  
12 dollars.

13 b. Beginning July 1, 2015, the superintendent of public instruction shall determine  
14 the amount of payments due to a school district and shall subtract from that the  
15 amount by which the unobligated general fund balance of the district on the  
16 preceding June thirtieth is in excess of forty percent of its actual expenditures,  
17 plus twenty thousand dollars.

18 c. Beginning July 1, 2017, the superintendent of public instruction shall determine  
19 the amount of payments due to a school district and shall subtract from that the  
20 amount by which the unobligated general fund balance of the district on the  
21 preceding June thirtieth is in excess of thirty-five percent of its actual  
22 expenditures, plus twenty thousand dollars.

- 23 2. In making the determination required by subsection 1, the superintendent of public  
24 instruction may not include in a district's unobligated general fund balance any  
25 moneys that were received by the district from the federal education jobs fund  
26 program.

27 3. For purposes of this section, a district's unobligated general fund balance includes all  
28 moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

29 **SECTION 39. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is  
30 amended and reenacted as follows:

**15.1-27-39. Annual salary - Minimum amount.**

~~1. Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~

~~2.~~ Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

**SECTION 40.** Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

**15.1-27-45. Property tax relief fund.**

1. a. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to the property tax relief fund, as established by this section, and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.

b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.

2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 41. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

1       **15.1-29-15. Levy for tuition payments.**

2       If the board of a school district approves tuition payments for students in grades seven  
3 through twelve or if the board is required to make tuition or tutoring payments under this  
4 chapter, the board may levy an amount sufficient to meet such payments, pursuant to  
5 ~~subdivision c of subsection 1 of~~ section 57-15-14.2.

6       **SECTION 42. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8       **15.1-30-04. Provision of meals and lodging for high school students - Payment**  
9 **permitted -- Levy.**

10       Instead of providing transportation so that an eligible high school student residing in the  
11 district can attend school in another district, a school board may pay a reasonable allowance to  
12 the student's parent for costs incurred in the provision of meals and lodging for the student at a  
13 location other than the student's residence. ~~A school district that furnishes either transportation~~  
14 ~~or an allowance for the provision of meals and lodging for a student under this section may levy~~  
15 ~~a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

16       **SECTION 43.** A new section to chapter 15.1-35 of the North Dakota Century Code is  
17 created and enacted as follows:

18       **Beverages - Snack breaks.**

19       During the 2013-15 biennium, a school district may utilize resources provided in accordance  
20 with subdivision n of subsection 1 of section 15.1-27-03.1 to ensure that students who are  
21 eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act  
22 [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is  
23 provided.

24       **SECTION 44. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **15.1-36-02. School construction projects - Loans.**

27       1. ~~The~~In order to provide school construction loans, the board of university and school  
28 lands may authorize the use of ~~moneys in:~~

29       a. Fifty million dollars, or so much of that amount as may be necessary, from  
30 the coal development trust fund, established pursuant to section 21 of article X of the  
31 Constitution of North Dakota and subsection 1 of section 57-62-02 ~~to provide-~~

~~school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and~~

b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.

2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

~~3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~

- ~~4.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or ~~eighty~~ ninety percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than ~~two~~ four hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.

5.4. If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:

- a. A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or ~~seventy~~ eighty percent of the actual project cost;
- b. An interest rate buydown equal to at least one hundred but not more than ~~two~~ three hundred fifty basis points below the prevailing tax-free bond rates; and
- c. A term of repayment that may extend up to twenty years.

1 ~~6.5.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least  
2 ninety percent of the state average ~~imputed~~-taxable valuation per student, the district  
3 is entitled to receive:

- 4 a. A school construction loan equal to the lesser of ~~four~~ten million dollars or  
5 ~~thirty~~seventy percent of the actual project cost;  
6 b. An interest rate discount equal to at least one hundred but not more than  
7 ~~two~~three hundred ~~fifty~~-basis points below the prevailing tax-free bond rates; and  
8 c. A term of repayment that may extend up to twenty years.

9 ~~7.6.~~ The board of a school district may submit its loan application to the superintendent of  
10 public instruction before or after receiving authorization of a bond issue in accordance  
11 with chapter 21-03. If the vote to authorize a bond issue precedes the application for a  
12 loan, the application must be acted upon by the superintendent expeditiously but no  
13 later than one hundred eighty days from the date it is received by the superintendent.

14 ~~8.7.~~ The superintendent of public instruction shall consider each loan application in the  
15 order it received approval under section 15.1-36-01.

16 ~~9.8.~~ If the superintendent of public instruction approves the loan, the superintendent may  
17 determine the loan amount, the term of the loan, and the interest rate, in accordance  
18 with the requirements of this section. A school district's interest rate may not be less  
19 than one percent, regardless of any rate discount for which the district might otherwise  
20 qualify under this section.

21 ~~10.~~ ~~The superintendent of public instruction may adopt rules governing school-~~  
22 ~~construction loans.~~

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

28 b. If the evidence of indebtedness is payable solely from the school district's  
29 allocation of the oil and gas gross production tax in accordance with section  
30 57-51-15, the loan does not constitute a general obligation of the school district  
31 and may not be considered a debt of the district.

1 c. If a loan made to a school district is payable solely from the district's allocation of  
2 the oil and gas gross production tax in accordance with section 57-51-15, the  
3 terms of the loan must require that the state treasurer withhold the dollar amount  
4 or percentage specified in the loan agreement, from each of the district's oil and  
5 gas gross production tax allocations, in order to repay the principal and interest of  
6 the evidence of indebtedness. The state treasurer shall deposit the amount  
7 withheld into the fund from which the loan originated.

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

11 ~~44.10.~~ For purposes of this section, a "construction project" means the purchase, lease,  
12 erection, or improvement of any structure or facility by a school board, provided the  
13 acquisition or activity is within a school board's authority.

14 **SECTION 45. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **40-55-08. Election to determine desirability of establishing recreation system - How**  
17 **called.**

18 The governing body of any municipality, school district, or park district to which this chapter  
19 is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not  
20 less than five percent of those qualified electors who voted at the last general election of the  
21 municipality, school district, or park district, shall submit to the qualified electors the question of  
22 the establishment, maintenance, and conduct of a public recreation system, and except in the  
23 case of a school district, the levying of an annual tax for the conduct and maintenance thereof  
24 of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable  
25 property within the corporate limits or boundaries of such municipality or park district, to be  
26 voted upon at the next general election or special municipal election; provided, however, that  
27 such questions may not be voted upon at the next general election unless such action of the  
28 governing body shall be taken, or such petition to submit such question shall be filed thirty days  
29 prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment,  
30 maintenance, and conduct of a public recreation system ~~pursuant to subdivision q of subsection~~  
31 ~~1 of~~ using the proceeds of levies, as permitted by section 57-15-14.2.



1       **SECTION 46. AMENDMENT.** Section 40-55-09 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **40-55-09. Favorable vote at election - Procedure.**

4       Except in the case of a school district or park district, upon adoption of the public recreation  
5 system proposition at an election by a majority of the votes cast upon the proposition, the  
6 governing body of the municipality, by resolution or ordinance, shall provide for the  
7 establishment, maintenance, and conduct of a public recreation system, and thereafter levy and  
8 collect annually a tax of not more than two and five-tenths mills, or not more than eight and  
9 five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation  
10 of all taxable property within the corporate limits or boundaries of the municipality. This tax is in  
11 addition to the maximum of taxes permitted to be levied in such municipality. The mill levy  
12 authorized by this section may be raised to not more than eight and five-tenths mills when the  
13 increase is approved by the citizens of the municipality after submission of the question in the  
14 same manner as provided in section 40-55-08 for the establishment of the public recreation  
15 system. The governing body of the municipality shall continue to levy the tax annually for public  
16 recreation purposes until the qualified voters, at a regular or special election, by a majority vote  
17 on the proposition, decide to discontinue the levy. The governing body of the municipality may  
18 appropriate additional funds for the operation of the public recreation system if in the opinion of  
19 the governing body additional funds are needed for the efficient operation thereof. This chapter  
20 does not limit the power of any municipality, school district, or park district to appropriate on its  
21 own initiative general municipal, school district, or park district tax funds for the operation of a  
22 public recreation system, a community center, or character-building facility. ~~A school district may~~  
23 ~~levy a tax annually for the conduct and maintenance of a public recreation system pursuant to~~  
24 ~~subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually  
25 within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a  
26 public recreation system.

27       **SECTION 47. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29       **57-15-01.1. Protection of taxpayers and taxing districts.**

30       Each taxing district may levy the lesser of the amount in dollars as certified in the budget of  
31 the governing body, or the amount in dollars as allowed in this section, subject to the following:

- 1 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed  
2 by this section.
- 3 2. For purposes of this section:
  - 4 a. "Base year" means the taxing district's taxable year with the highest amount  
5 levied in dollars in property taxes of the three taxable years immediately  
6 preceding the budget year. For a park district general fund, the "amount levied in  
7 dollars in property taxes" is the sum of amounts levied in dollars in property taxes  
8 for the general fund under section 57-15-12 including any additional levy  
9 approved by the electors, the insurance reserve fund under section 32-12.1-08,  
10 the employee health care program under section 40-49-12, the public recreation  
11 system under section 40-55-09 including any additional levy approved by the  
12 electors, forestry purposes under section 57-15-12.1 except any additional levy  
13 approved by the electors, pest control under section 4-33-11, and handicapped  
14 person programs and activities under section 57-15-60;
  - 15 b. "Budget year" means the taxing district's year for which the levy is being  
16 determined under this section;
  - 17 c. "Calculated mill rate" means the mill rate that results from dividing the base year  
18 taxes levied by the sum of the taxable value of the taxable property in the base  
19 year plus the taxable value of the property exempt by local discretion or  
20 charitable status, calculated in the same manner as the taxable property; and
  - 21 d. "Property exempt by local discretion or charitable status" means property  
22 exempted from taxation as new or expanding businesses under chapter 40-57.1;  
23 improvements to property under chapter 57-02.2; or buildings belonging to  
24 institutions of public charity, new single-family residential or townhouse or  
25 condominium property, property used for early childhood services, or pollution  
26 abatement improvements under section 57-02-08.
- 27 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
28 levy under this section must be specifically approved by a resolution approved by the  
29 governing body of the taxing district. Before determining the levy limitation under this  
30 section, the dollar amount levied in the base year must be:

- 1 a. Reduced by an amount equal to the sum determined by application of the base  
2 year's calculated mill rate for that taxing district to the final base year taxable  
3 valuation of any taxable property and property exempt by local discretion or  
4 charitable status which is not included in the taxing district for the budget year but  
5 was included in the taxing district for the base year.
- 6 b. Increased by an amount equal to the sum determined by the application of the  
7 base year's calculated mill rate for that taxing district to the final budget year  
8 taxable valuation of any taxable property or property exempt by local discretion or  
9 charitable status which was not included in the taxing district for the base year  
10 but which is included in the taxing district for the budget year.
- 11 c. Reduced to reflect expired temporary mill levy increases authorized by the  
12 electors of the taxing district. For purposes of this subdivision, an expired  
13 temporary mill levy increase does not include a school district general fund mill  
14 rate exceeding one hundred ten mills which has expired or has not received  
15 approval of electors for an extension under subsection 2 of section 57-64-03.

16 ~~d. Increased, for a school district determining its levy limitation under this section,~~  
17 ~~by the amount the school district's mill levy reduction grant under section~~  
18 ~~57-64-02 for the base year exceeds the amount of the school district's mill levy~~  
19 ~~reduction grant under section 57-64-02 for the budget year.~~

20 ~~e. Reduced for a school district determining its levy limitation under this section, by~~  
21 ~~the amount the school district's mill levy reduction grant under section 57-64-02~~  
22 ~~for the budget year exceeds the amount of the school district's mill levy reduction~~  
23 ~~grant under section 57-64-02 for the base year.~~

24 d. If the base year is a taxable year before 2013, reduced by the amount of state aid  
25 under chapter 15.1-27, which is determined by multiplying the budget year  
26 taxable valuation of the school district by the lesser of:  
27 (1) The base year mill rate of the school district minus sixty mills; or  
28 (2) Fifty mills.

- 29 4. In addition to any other levy limitation factor under this section, a taxing district may  
30 increase its levy in dollars to reflect new or increased mill levies authorized by the  
31 legislative assembly or authorized by the electors of the taxing district.

- 1       5. Under this section a taxing district may supersede any applicable mill levy limitations
- 2       otherwise provided by law, or a taxing district may levy up to the mill levy limitations
- 3       otherwise provided by law without reference to this section, but the provisions of this
- 4       section do not apply to the following:
- 5       a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of
- 6       article X of the Constitution of North Dakota.
- 7       b. The one-mill levy for the state medical center authorized by section 10 of article X
- 8       of the Constitution of North Dakota.
- 9       6. A school district choosing to determine its levy authority under this section may apply
- 10      subsection 3 only to the amount in dollars levied for general fund purposes under
- 11      section 57-15-14 or, if the levy in the base year included separate general fund and
- 12      special fund levies under sections 57-15-14 and 57-15-14.2, the school district may
- 13      apply subsection 3 to the total amount levied in dollars in the base year for both the
- 14      general fund and special fund accounts. School district levies under any section other
- 15      than section 57-15-14 may be made within applicable limitations but those levies are
- 16      not subject to subsection 3.
- 17      7. Optional levies under this section may be used by any city or county that has adopted
- 18      a home rule charter unless the provisions of the charter supersede state laws related
- 19      to property tax levy limitations.

20       **SECTION 48. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22       **57-15-14. ~~General fund levy limitations~~ Voter approval of excess levies in school**  
23 **districts.**

24 ~~—The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any~~  
25 ~~school district, except the Fargo school district, may not exceed the amount in dollars which the~~  
26 ~~school district levied for the prior school year plus twelve percent up to a general fund levy of~~  
27 ~~one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

- 28      1. Unless authorized by the electors of the school district in accordance with this section,  
29      a school district may not impose greater levies than those permitted under section  
30      57-15-14.2.

1 a. In any school district having a total population in excess of four thousand  
2 according to the last federal decennial census there may be levied any specific  
3 number of mills that upon resolution of the school board has been submitted to  
4 and approved by a majority of the qualified electors voting upon the question at  
5 any regular or special school district election.

6 ~~2.~~ b. In any school district having a total population of fewer than four thousand, there  
7 may be levied any specific number of mills that upon resolution of the school  
8 board has been approved by fifty-five percent of the qualified electors voting  
9 upon the question at any regular or special school election.

10 ~~3.~~ c. After June 30, 2009, in any school district election for approval by electors of  
11 increased levy authority under subsection 1 or 2, the ballot must specify the  
12 number of mills proposed for approval, and the number of taxable years for which  
13 that approval is to apply. After June 30, 2009, approval by electors of increased  
14 levy authority under subsection 1 or 2 may not be effective for more than ten  
15 taxable years.

16 ~~4.~~ d. The authority for a levy of up to a specific number of mills under this section  
17 approved by electors of a school district before July 1, 2009, is terminated  
18 effective for taxable years after 2015. If the electors of a school district subject to  
19 this subsection have not approved a levy for taxable years after 2015 of up to a  
20 specific number of mills under this section by December 31, 2015, the school  
21 district levy limitation for subsequent years is subject to the limitations under  
22 section 57-15-01.1 or this section.

23 e. For taxable years beginning after 2012:

24 (1) The authority for a levy of up to a specific number of mills, approved by  
25 electors of a school district for any period of time that includes a taxable  
26 year before 2009, must be reduced by one hundred fifteen mills as a  
27 precondition of receiving state aid in accordance with chapter 15.1-27.

28 (2) The authority for a levy of up to a specific number of mills, approved by  
29 electors of a school district for any period of time that does not include a  
30 taxable year before 2009, must be reduced by forty mills as a precondition  
31 of receiving state aid in accordance with chapter 15.1-27.

1 (3) The authority for a levy of up to a specific number of mills, placed on the  
2 ballot in a school district election for electoral approval of increased levy  
3 authority under subdivision a or b, after June 30, 2013, must be stated as a  
4 specific number of mills of general fund levy authority and must include a  
5 statement that the statutory school district general fund levy limitation is  
6 seventy mills on the dollar of the taxable valuation of the school district.

7 ~~5.~~ f. The authority for an unlimited levy approved by electors of a school district before  
8 July 1, 2009, is terminated effective for taxable years after 2015. If the electors of  
9 a school district subject to this subsection have not approved a levy of up to a  
10 specific number of mills under this section by December 31, 2015, the school  
11 district levy limitation for subsequent years is subject to the limitations under  
12 section 57-15-01.1 or this section.

13 2. a. The question of authorizing or discontinuing such specific number of mills  
14 authority in any school district must be submitted to the qualified electors at the  
15 next regular election upon resolution of the school board or upon the filing with  
16 the school board of a petition containing the signatures of qualified electors of the  
17 district equal in number to ten percent of the number of electors who cast votes in  
18 the most recent election in the school district. ~~However, not~~ No fewer than  
19 twenty-five signatures are required. ~~However, the~~

20 b. ~~The~~ approval of discontinuing such authority does not affect the tax levy in the  
21 calendar year in which the election is held.

22 c. The election must be held in the same manner and subject to the same  
23 conditions as provided in this section for the first election upon the question of  
24 authorizing the mill levy.

25 **SECTION 49. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 ~~57-15-14.2. Mill levies requiring board action -- Proceeds to general fund-~~  
28 ~~account~~ School district levies.

29 ~~1. A school board of any school district may levy an amount sufficient to cover general~~  
30 ~~expenses, including the costs of the following:~~

31 ~~a. Board and lodging for high school students as provided in section 15.1-30-04.~~

- 1 ~~b. The teachers' retirement fund as provided in section 15-39.1-28.~~
- 2 ~~c. Tuition for students in grades seven through twelve as provided in section~~
- 3 ~~15.1-29-15.~~
- 4 ~~d. Special education program as provided in section 15.1-32-20.~~
- 5 ~~e. The establishment and maintenance of an insurance reserve fund for insurance~~
- 6 ~~purposes as provided in section 32-12.1-08.~~
- 7 ~~f. A final judgment obtained against a school district.~~
- 8 ~~g. The district's share of contribution to the old-age survivors' fund and matching~~
- 9 ~~contribution for the social security fund as provided by chapter 52-09 and to~~
- 10 ~~provide the district's share of contribution to the old-age survivors' fund and~~
- 11 ~~matching contribution for the social security fund for contracted employees of a~~
- 12 ~~multidistrict special education board.~~
- 13 ~~h. The rental or leasing of buildings, property, or classroom space. Minimum state~~
- 14 ~~standards for health and safety applicable to school building construction shall~~
- 15 ~~apply to any rented or leased buildings, property, or classroom space.~~
- 16 ~~i. Unemployment compensation benefits.~~
- 17 ~~j. The removal of asbestos substances from school buildings or the abatement of~~
- 18 ~~asbestos substances in school buildings under any method approved by the~~
- 19 ~~United States environmental protection agency and any repair, replacement, or~~
- 20 ~~remodeling that results from such removal or abatement, any remodeling~~
- 21 ~~required to meet specifications set by the Americans with Disabilities Act~~
- 22 ~~accessibility guidelines for buildings and facilities as contained in the appendix to~~
- 23 ~~28 CFR 36, any remodeling required to meet requirements set by the state fire~~
- 24 ~~marshal during the inspection of a public school, and for providing an alternative~~
- 25 ~~education program as provided in section 57-15-17.1.~~
- 26 ~~k. Participating in cooperative career and technical education programs approved~~
- 27 ~~by the state board.~~
- 28 ~~l. Maintaining a career and technical education program approved by the state~~
- 29 ~~board and established only for that school district.~~
- 30 ~~m. Paying the cost of purchasing, contracting, operating, and maintaining~~
- 31 ~~schoolbuses.~~

- 1 ~~n. Establishing and maintaining school library services.~~
- 2 ~~o. Equipping schoolbuses with two-way communications and central station~~  
3 ~~equipment and providing for the installation and maintenance of such equipment.~~
- 4 ~~p. Establishing free public kindergartens in connection with the public schools of the~~  
5 ~~district for the instruction of resident children below school age during the regular~~  
6 ~~school term.~~
- 7 ~~q. Establishing, maintaining, and conducting a public recreation system.~~
- 8 ~~r. The district's share of contribution to finance an interdistrict cooperative~~  
9 ~~agreement authorized by section 15.1-09-40.~~
- 10 ~~2. This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of~~  
11 ~~subsection 1. If a school district maintained a levy to finance either its participation in a~~  
12 ~~cooperative career and technical education program or its sponsorship of~~  
13 ~~single-district career and technical education programs prior to July 1, 1983, and the~~  
14 ~~district discontinues its participation in or sponsorship of those career and technical~~  
15 ~~education programs, that district must reduce the proposed aggregated expenditure~~  
16 ~~amount for which its general fund levy is used by the dollar amount raised by its prior~~  
17 ~~levy for the funding of those programs.~~
- 18 ~~3. All proceeds of any levy established pursuant to this section must be placed in the~~  
19 ~~school district's general fund account and may be expended to achieve the purposes~~  
20 ~~for which the taxes authorized by this section are levied. Proceeds from levies~~  
21 ~~established pursuant to this section and funds provided to school districts pursuant to~~  
22 ~~chapter 15.1-27 may not be transferred to the building fund within the school district.~~
- 23 1. For taxable years after 2013, the board of a school district may levy a tax not  
24 exceeding the amount in dollars that the school district levied for the prior year, plus  
25 twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for  
26 any purpose related to the provision of educational services. The proceeds of this levy  
27 must be deposited into the school district's general fund and used in accordance with  
28 this subsection. The proceeds may not be transferred into any other fund.
- 29 2. For taxable years after 2013, the board of a school district may levy no more than  
30 twelve mills on the taxable valuation of the district, for miscellaneous purposes and  
31 expenses. The proceeds of this levy must be deposited into a special fund known as



1 the miscellaneous fund and used in accordance with this subsection. The proceeds  
2 may not be transferred into any other fund.

3 3. The board of a school district may levy no more than three mills on the taxable  
4 valuation of the district for deposit into a special reserve fund, in accordance with  
5 chapter 57-19.

6 4. The board of a school district may levy no more than the number of mills necessary,  
7 on the taxable valuation of the district, for the payment of tuition, in accordance with  
8 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
9 known as the tuition fund and used in accordance with this subsection. The proceeds  
10 may not be transferred into any other fund.

11 5. Nothing in this section limits the board of a school district from levying:

12 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and

13 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
14 including the mills necessary to pay principal and interest on any bonded debt  
15 incurred under section 57-15-17.1 before July 1, 2013.

16 6. For the taxable year 2013 only, the board of a school district may levy, for the  
17 purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars  
18 determined under this subsection, plus twelve percent, up to a combined levy of  
19 eighty-two mills. For purposes of this subsection, the allowable increase in dollars is  
20 determined by multiplying the 2013 taxable valuation of the district by the sum of sixty  
21 mills plus the number of mills levied in 2012 for miscellaneous expenses under  
22 sections 57-15-14.5 and 57-15-17.1.

23 **SECTION 50. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25 **57-15-14.5. Long-distance learning and educational technology levy --~~Voter approval.~~**

26 ~~1. The school board of a public school district may, upon approval by a majority vote of the~~  
27 ~~qualified electors of the school district voting on the question at any regular or special election,~~  
28 ~~dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable~~  
29 ~~valuation of property within the district.~~

30 ~~2. All revenue accruing from the levy under this section must be used only for purposes~~  
31 ~~of establishing and maintaining long-distance learning and purchasing and maintaining~~

1 educational technology. For purposes of this section, educational technology includes  
2 computer software, computers and computer networks, other computerized  
3 equipment, which must be used for student instruction, and the salary of a staff person  
4 to supervise the use and maintenance of educational technology.

5 ~~3. If the need for the fund terminates, the governing board of the public school district~~  
6 ~~shall order the termination of the levy and~~ On July 1, 2013, each school district shall  
7 transfer ~~the remaining~~ any balance remaining in its long-distance learning and  
8 educational technology fund to the general fund of the school district.

9 **SECTION 51. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **57-15-17. Disposition of building fund tax.**

12 Revenue raised for building purposes shall be disposed of as follows:

13 1. a. All revenue accruing from appropriations or tax levies for a school district building  
14 fund together with such amounts as may be realized for building purposes from  
15 all other sources must be placed in a separate fund known as a school building  
16 fund and must be deposited, held, or invested in the same manner as the sinking  
17 funds of such school district or in the purchase of shares or securities of federal  
18 or state-chartered savings and loan associations within the limits of federal  
19 insurance.

20 b. The funds may only be used for the following purposes:

21 (1) The ~~erection~~ construction of ~~new~~ school district buildings ~~or~~ and facilities, ~~or~~  
22 ~~additions to old;~~

23 (2) The renovation, repair, or expansion of school district buildings ~~or~~ and  
24 ~~facilities, or the making of major repairs to existing buildings or facilities, or~~  
25 ~~improvements to school land and site. For purposes of this paragraph,~~  
26 ~~facilities may include parking lots, athletic complexes, or any other real~~  
27 ~~property owned by the school district.;~~

28 (3) The improvement of school district buildings, facilities, and real property;

29 (4) The leasing of buildings and facilities;

30 ~~(2)(5)~~ (5) The payment of rentals upon contracts with the state board of public school  
31 education.;

1                   ~~(3)~~(6) The payment of rentals upon contracts with municipalities for career and  
2                   technical education facilities financed pursuant to chapter 40-57:

3                   ~~(4) Within the limitations of school plans as provided in subsection 2 of section-~~  
4                   ~~57-15-16;~~ and

5                   ~~(5)~~(7) The payment of principal, ~~premium,~~ if any premiums, and interest on bonds  
6                   issued ~~pursuant to~~ in accordance with subsection 7 of section 21-03-07.

7                   ~~(6) The payment of premiums for fire and allied lines, liability, and multiple peril~~  
8                   ~~insurance on any building and its use, occupancy, fixtures, and contents.~~

9                   c. The custodian of the funds may pay out the funds only upon order of the school  
10                   board, signed by the president and the business manager of the school district.

11                   The order must recite upon its face the purpose for which payment is made.

12                   2. Any moneys remaining in a school building fund after the completion of the payments  
13                   for any school building project which has cost seventy-five percent or more of the  
14                   amount in such building fund at the time of letting the contracts therefor shall be  
15                   returned to the general fund of the school district upon the order of the school board.

16                   3. The governing body of any school district may pay into the general fund of the school  
17                   district any moneys which have remained in the school building fund for a period of ten  
18                   years or more, and such district may include the same as a part of its cash on hand in  
19                   making up its budget for the ensuing year. In determining what amounts have  
20                   remained in said fund for ten years or more, all payments which have been paid from  
21                   the school building fund for building purposes shall be considered as having been paid  
22                   from the funds first acquired.

23                   4. Whenever collections from the taxes levied for the current budget and other income  
24                   are insufficient to meet the requirements for general operating expenses, a majority of  
25                   the governing body of a school district may transfer unobligated funds from the school  
26                   building fund into the general fund of the school district if the school district has issued  
27                   certificates of indebtedness equal to fifty percent of the outstanding uncollected  
28                   general fund property tax. No school district may transfer funds from the school  
29                   building fund into the general fund for more than two years.

30                   **SECTION 52. AMENDMENT.** Section 57-15-17.1 of the North Dakota Century Code is  
31 amended and reenacted as follows:

~~57-15-17.1. School board levies -- Multiyear mercury and hazardous substance abatement or removal -- Required remodeling -- Alternative education programs -- Heating, ventilation, and air-conditioning systems~~ Discontinuation of special funds - Required transfers.

~~1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:~~

- ~~a. Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;~~
- ~~b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;~~
- ~~c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;~~
- ~~d. Providing alternative education programs; and~~
- ~~e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air-conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air-conditioning engineers, incorporated standards.~~

~~2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.~~

1 ~~3. All revenue accruing from up to five mills of the fifteen mill levy under this section must~~  
2 ~~be placed in a separate fund known as the required remodeling fund and must be~~  
3 ~~accounted for within the capital projects fund group and disbursements must be made~~  
4 ~~from such funds within this fund group for the purpose of required remodeling, as set~~  
5 ~~forth in subsection 1.~~

6 ~~4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may~~  
7 ~~be placed in a separate fund known as the alternative education program fund.~~  
8 ~~Disbursement may be made from the fund for the purpose of providing an alternative~~  
9 ~~education program but may not be used to construct or remodel facilities used to~~  
10 ~~accommodate an alternative education program.~~

11 ~~5. All revenue accruing from the levy under this section, except revenue deposited as~~  
12 ~~allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the~~  
13 ~~heating, ventilation, and air-conditioning upgrade fund and must be accounted for~~  
14 ~~within the capital projects fund group and disbursements must be made from such~~  
15 ~~funds within this fund group for the purpose of improving indoor air quality.~~

16 ~~6. Any~~On July 1, 2013, each school district shall transfer to its building fund or its general  
17 fund any moneys remaining in the mercury and hazardous substance abatement or  
18 removal fund ~~after completion of the principal and interest payments for any bonds~~  
19 ~~issued for any school mercury and hazardous substance abatement or removal~~  
20 ~~project, any funds,~~ any moneys remaining in the required remodeling fund ~~after~~  
21 ~~completion of the remodeling projects, any funds,~~ any moneys remaining in the  
22 alternative education program fund ~~at the termination of the program,~~ and any  
23 ~~funds~~ moneys remaining in the heating, ventilation, and air-conditioning upgrade fund  
24 ~~after completion of the principal and interest payments for any bonds issued for any~~  
25 ~~indoor air quality project must be transferred to the general fund of the school district~~  
26 ~~upon the order of the school board.~~

27 **SECTION 53. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **57-15-31. Determination of levy.**

30 The amount to be levied by any county, city, township, school district, park district, or other  
31 municipality authorized to levy taxes shall be computed by deducting from the amount of

1 estimated expenditures for the current fiscal year as finally determined, plus the required  
2 reserve fund determined upon by the governing board from the past experience of the taxing  
3 district, the total of the following items:

- 4 1. The available surplus consisting of the free and unencumbered cash balance.
- 5 2. Estimated revenues from sources other than direct property taxes.
- 6 3. The total estimated collections from tax levies for previous years.
- 7 4. Such expenditures as are to be made from bond sources.
- 8 5. The amount of distributions received from an economic growth increment pool under  
9 section 57-15-61.
- 10 6. The estimated amount to be received from payments in lieu of taxes on a project  
11 under section 40-57.1-03.

12 ~~7. The amount reported to a school district by the superintendent of public instruction as~~  
13 ~~the school district's mill levy reduction grant for the year under section 57-64-02.~~

14 Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five  
15 percent of the amount of the levy.

16 **SECTION 54. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **57-19-01. School district may establish special reserve fund.**

19 Each school district in this state may establish and maintain a special reserve fund ~~which~~  
20 ~~must be separate and distinct from all other funds now authorized by law and which may not~~  
21 ~~exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed  
22 that which could be produced by a levy of ~~the maximum mill levy allowed by law~~ fifteen mills in  
23 that district for that year.

24 **SECTION 55. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **57-19-02. Special reserve fund - Separate trust fund.**

27 ~~The special reserve fund is a separate trust fund for the use and benefit of the school~~  
28 ~~district, to be drawn upon as provided in this chapter.~~

- 29 1. Moneys in the special reserve fund may be deposited, held, or invested in the same  
30 manner as the sinking fund of the district or in the purchase of shares or securities of  
31 federal savings and loan associations or state-chartered building and loan

1            associations, within the limits of federal insurance. ~~The school district business-~~  
2            ~~manager shall annually, upon a resolution of the school board, transfer to the school~~  
3            ~~district general fund any part or all of the investment income or interest earned by the~~  
4            ~~principal amount of the school district's special reserve fund.~~

5            2. Each July first, the board of the school district shall transfer from the special reserve  
6            fund to the district's general fund any amount that exceeds the limitation in section  
7            57-19-01.

8            **SECTION 56. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is  
9            amended and reenacted as follows:

10           **57-19-09. When fund may be transferred.**

11           Any school district which has heretofore by mistake, or for any other reason, considered all  
12           or any part of a special reserve fund, as provided for in chapter 57-19, in determining the  
13           budget for the school district which has deducted all or any part of the funds in such special  
14           reserve fund from the amount necessary to be levied for any school fiscal year, may transfer  
15           from the special reserve fund into the general fund all or any part of such amounts which have  
16           been so considered contrary to the provisions of section 57-19-05. ~~Any school district special-~~  
17           ~~reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the~~  
18           ~~electors of the school district voting upon the question at any special or general election. Any~~  
19           ~~moneys remaining unexpended in such special reserve fund must be transferred to the building~~  
20           ~~or general fund of the school district. The discontinuance of a special reserve fund shall not~~  
21           ~~decrease the school district tax levies otherwise provided for by law by more than twenty-~~  
22           ~~percent. A special reserve fund and the tax levy therefor which has been discontinued may be~~  
23           ~~reinstated by a vote of sixty percent of the electors of the school district voting upon the~~  
24           ~~question at any special or general election.~~

25           **SECTION 57. SCHOOL DISTRICT SUPPLEMENTAL ASSISTANCE PAYMENT.**

- 26           1. A school district is entitled to a one-time supplemental assistance payment if:
- 27           a. During the 2012-13 school year, the school district participated with one other
  - 28           school district in a cooperative agreement approved by the superintendent of
  - 29           public instruction;
  - 30           b. At the conclusion of the 2012-13 school year, the school district with which it
  - 31           cooperated became part of a reorganized district; and

1 c. Students who resided in the school district and who attended school in one of the  
2 reorganizing districts during the 2012-13 school year enroll in their district of  
3 residence for the 2013-14 school year.

4 2. The supplemental assistance payment to which a school district is entitled under this  
5 section must be based on the number of its resident students in average daily  
6 membership that had attended school under the referenced cooperating agreement in  
7 a district other than their school district of residence during the 2012-13 school year  
8 and that enrolled in their school district of residence for the 2013-14 school year. That  
9 number, as determined by the superintendent of public instruction, must be multiplied  
10 by \$8,810.

11 3. The superintendent of public instruction shall base the supplemental assistance  
12 payment on the school district's September tenth enrollment report.

13 4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state  
14 school aid line item after the superintendent of public instruction complies with all  
15 statutory payment obligations imposed for the 2011-13 biennium, the superintendent  
16 shall reserve the first \$158,150, or so much of that amount as may be necessary, to  
17 provide the supplemental assistance payment required by this section.

18 5. The supplemental assistance payment is not available to any school district that is  
19 entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third  
20 legislative assembly.

21 **SECTION 58. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION -**  
22 **ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

23 1. The legislative management shall appoint a committee to examine and clarify  
24 state-level and local-level responsibility for the equitable and adequate funding of  
25 elementary and secondary education in this state.

26 2. The committee shall:

27 a. Define what constitutes "education" for purposes of meeting the state's  
28 constitutional requirements;

29 b. Examine the distribution of financial and managerial responsibility for  
30 transportation, athletics and activities, course offerings beyond those that are  
31 statutorily required, and other nonmandatory offerings and services;



- 1 c. Examine the distribution of financial and managerial responsibility for school  
2 construction;
  - 3 d. Examine the organizational structure for educational delivery in this state, in light  
4 of demographic changes, to ensure effectiveness and efficiency;
  - 5 e. Examine the benefits and detriments of statutorily limiting school districts in their  
6 ability to generate and expend property tax dollars; and
  - 7 f. Define what constitutes "adequacy" for purposes of funding education.
- 8 3. The committee shall:
- 9 a. Examine concepts of accountability in elementary and secondary education;
  - 10 b. Examine the performance of North Dakota students in state and national  
11 assessments to determine whether recent legislative efforts have effected  
12 measurable improvements in student achievement; and
  - 13 c. Examine high school curricular requirements, content standards, and teacher  
14 training and qualifications to determine whether North Dakota students are being  
15 adequately prepared for the various assessments and for their first year of  
16 enrollment in institutions of higher education.
- 17 4. The committee shall examine the effectiveness of teacher, principal, and  
18 superintendent evaluation systems.
- 19 5. The legislative management shall report its findings and recommendations, together  
20 with any legislation required to implement the recommendations, to the sixty-fourth  
21 legislative assembly.

22 **SECTION 59. APPROPRIATION.** There is appropriated out of any moneys in the general  
23 fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the  
24 sum as may be necessary, to the legislative council for the purpose of contracting with  
25 consultants and other personnel necessary to complete the study of education funding and  
26 accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

27 **SECTION 60. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS -**  
28 **ADDITIONAL PURPOSES.** Notwithstanding section 15.1-36-02, if as of December 31, 2014,  
29 any portion of the \$150,000,000 referenced in subdivision b of subsection 1 of section  
30 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the  
31 state board of university and school lands may authorize up to \$50,000,000 of the uncommitted

1 amount for the purpose of providing medical facility infrastructure loans in accordance with  
2 Senate Bill No. 2187, as enacted by the sixty-third legislative assembly.

3 **SECTION 61. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.**

- 4 1. During the 2014-15 school year, the department of career and technical education  
5 shall provide a grant to an institution implementing a certificate program that prepares  
6 individuals with autism spectrum disorder for employment in the technology sector.  
7 2. The amount of the grant must be determined by multiplying the per student payment  
8 rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the  
9 number of students that completed the program, up to a maximum of thirty students.  
10 3. The grant recipient shall provide a report to the legislative management regarding  
11 program graduates who found employment in the technology sector, their starting  
12 salaries, and their total compensation.  
13 4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state  
14 school aid line item after the superintendent of public instruction complies with all  
15 statutory payment obligations imposed for the 2011-13 biennium, the superintendent  
16 may transfer \$250,000, or so much of that amount as may be necessary, to the  
17 department of career and technical education, to provide the autism spectrum disorder  
18 grant required by this section.

19 **SECTION 62. SUSPENSION.** Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42,  
20 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century  
21 Code are suspended through June 30, 2015.

22 **SECTION 63. SUSPENSION.** Chapter 57-64 of the North Dakota Century Code is  
23 suspended for the first two taxable years beginning after December 31, 2012.

24 **SECTION 64. REPEAL.** Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century  
25 Code are repealed.

26 **SECTION 65. EFFECTIVE DATE.** Section ~~2230~~ of this Act becomes effective July 1, 2015.

27 **SECTION 66. EXPIRATION DATE.** Sections 33 through 35, 38, 40, 44, 51, and 54 through  
28 56 of this Act are effective through June 30, 2015, and after that date are ineffective.

29 **SECTION 67. EFFECTIVE DATE - EXPIRATION DATE.**

- 30 1. Sections 21, 27, 28, 42, 45 through 50, 52, and 53 of this Act are effective for the first  
31 two taxable years beginning after December 31, 2012, and are thereafter ineffective.

1        2.    Section 57-15-17.1 remains effective through June 30, 2013, for the purpose of any  
2            levy and bond issuance authorized by the board of a school district from January 1,  
3            2013, through June 30, 2013. The amendment to section 57-15-17.1, as set forth in  
4            section 52 of this Act, is effective beginning July 1, 2013, for the duration of the 2013  
5            taxable year, and for the taxable year beginning after December 31, 2013.

6        **SECTION 68. EMERGENCY.** ~~Section 3~~ Sections 3, 44, 57, and 61 of this Act ~~is~~are declared  
7        to be an emergency measure.