

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1365**

Introduced by

Representatives Owens, Pyle, Schreiber-Beck, Strinden

Senator Schaible

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

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

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

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

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

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

- 1 financial accounting and reporting manual, as developed by the
2 superintendent of public instruction in accordance with section 15.1-02-08;
- 3 ~~(2) Seventy-five percent of all mineral~~Mineral revenue received by the school-
4 ~~district~~ through direct allocation from the state treasurer and not reported
5 under code 2000 of the North Dakota school district financial accounting
6 and reporting manual, as developed by the superintendent of public
7 instruction in accordance with section 15.1-02-08;
- 8 ~~(3) Seventy-five percent of all tuition received by the school district and~~Tuition
9 reported under code 1300 of the North Dakota school district financial
10 accounting and reporting manual, as developed by the superintendent of
11 public instruction in accordance with section 15.1-02-08, with the exception
12 of revenue received specifically for the operation of an educational program
13 provided at a residential treatment facility and tuition received for the
14 provision of an adult farm management program;
- 15 ~~(4) Seventy-five percent of all revenue received by the school district~~Revenue
16 from payments in lieu of taxes on the distribution and transmission of
17 electric power;
- 18 ~~(5) Seventy-five percent of all revenue received by the school district~~Revenue
19 from payments in lieu of taxes on electricity generated from sources other
20 than coal; and
- 21 ~~(6) All revenue received by the school district from mobile home taxes;~~
- 22 ~~(7) Seventy-five percent of all revenue received by the school district~~Revenue
23 from the leasing of land acquired by the United States for which
24 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 25 ~~(8) All telecommunications~~
- 26 g. An amount equal to the total revenue received by the school district during the
27 2012-13 school year for the following revenue types:
- 28 (1) Mobile home tax revenue;
- 29 (2) Telecommunications tax revenue received by the school district; and

1 ~~(9)(3)~~ All revenue received by the school district Revenue from payments in lieu of
2 taxes and state reimbursement of the homestead credit and disabled
3 veterans credit.

4 2. The superintendent shall divide the district's total baseline funding by the district's
5 2012-13 weighted student units to determine the district's baseline funding per
6 weighted student unit.

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

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

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

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

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

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

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

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

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

29 (2) The superintendent also shall adjust the product to ensure the product does
30 not exceed one hundred forty percent of the district's baseline funding per

1 weighted student unit, as established in subsection 2, multiplied by the
2 district's weighted student units from the previous school year.

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

5 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
6 school district, except the amount in dollars subtracted for purposes of this
7 subdivision may not exceed the previous year's amount in dollars subtracted for
8 purposes of this subdivision by more than twelve percent; and

9 b. Subtract an amount equal to seventy-five percent of all ~~revenues~~the revenue
10 types listed in paragraphs 1 through 5, and 7 of subdivisions~~subdivisions f and g of~~
11 subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8,
12 and 9 of subdivision f of subsection 1. Before determining the deduction for
13 seventy-five percent of all revenues, the superintendent of public instruction shall
14 reduce all revenue by the percentage of mills levied in the previous calendar year
15 by the school district for sinking and interest relative to the total mills levied in the
16 previous calendar year by the school district.

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

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

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

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

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