

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2013

Introduced by

Appropriations Committee

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; to amend and reenact sections 15.1-02-02, 15.1-27-04.1, 15.1-32-01,
4 15.1-32-14, 15.1-32-18, and 54-24.3-01 of the North Dakota Century Code, relating to the
5 salary of the superintendent of public instruction, baseline funding, high-cost students, and
6 regional library cooperative definitions; to provide for a transfer; to provide for reports; ~~and~~ to
7 provide an exemption; to provide an effective date; and to declare an emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income, to the department of public instruction, the state library, the school for the deaf,
13 and North Dakota vision services - school for the blind for the purpose of defraying the
14 expenses of those agencies, for the biennium beginning July 1, 2023, and ending June 30,
15 2025, as follows:

16 Subdivision 1.

17 DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$17,854,747	\$1,459,112	\$19,313,859
19 Operating expenses	33,098,149	195,171	33,293,320
20 Integrated formula payments	2,131,825,000	316,826,200	2,448,651,200
21 Grants - special education	27,000,000	0	27,000,000
22 Grants - transportation	58,100,000	0	58,100,000

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1	Grants - other grants	312,738,893	70,000,000	382,738,893
2	Grants - program grants	0	13,780,000	13,780,000
3	Grants - passthrough grants	0	2,229,764	2,229,764
4	Grants - program and passthrough	10,387,064	(10,387,064)	0
5	PowerSchool	5,250,000	525,000	5,775,000
6	National board certification	176,290	0	176,290
7	Total all funds	\$2,596,430,143	\$394,628,183	\$2,991,058,326
8	Less estimated income	938,233,270	154,404,811	1,092,638,081
9	Total general fund	\$1,658,196,873	\$240,223,372	\$1,898,420,245
10	Full-time equivalent positions	86.25	0.00	86.25
11	Salaries and wages	\$17,854,747	\$965,839	\$18,820,586
12	Operating expenses	33,098,149	(304,829)	32,793,320
13	Integrated formula payments	2,131,825,000	164,849,851	2,296,674,851
14	Grants - special education	27,000,000	(3,000,000)	24,000,000
15	Grants - transportation	58,100,000	0	58,100,000
16	Grants - other grants	312,738,893	70,000,000	382,738,893
17	Grants - program grants	0	13,550,000	13,550,000
18	Grants - passthrough grants	0	8,569,000	8,569,000
19	Grants - program and passthrough	10,387,064	(10,387,064)	0
20	PowerSchool	5,250,000	525,000	5,775,000
21	National board certification	176,290	0	176,290
22	Total all funds	\$2,596,430,143	\$244,767,797	\$2,841,197,940
23	Less estimated income	938,233,270	187,349,226	1,125,582,496
24	Total general fund	\$1,658,196,873	\$57,418,571	\$1,715,615,444
25	Full-time equivalent positions	86.25	0.00	86.25
26	<u>Subdivision 2.</u>			
27	<u>CENTER FOR DISTANCE EDUCATION</u>			
28	<u>Adjustments or</u>			
29		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
30	Center for distance education	\$0	\$11,347,980	\$11,347,980
31	Total all funds	\$0	\$11,347,980	\$11,347,980

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1	<u>Less estimated income</u>	0	4,550,000	4,550,000
2	<u>Total general fund</u>	\$0	\$6,797,980	\$6,797,980
3	<u>Full-time equivalent positions</u>	0.00	30.80	30.80

4 Subdivision 23.

5 STATE LIBRARY

6		Adjustments or		
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Salaries and wages	\$4,139,907	\$345,606	\$4,485,513
9	Operating expenses	1,822,703	415,770	2,238,473
10	Grants	2,233,528	50,000	2,283,528
11	Total all funds	\$8,196,138	\$811,376	\$9,007,514
12	Less estimated income	2,364,417	(221,410)	2,143,007
13	Total general fund	\$5,831,721	\$1,032,786	\$6,864,507
14	<u>Salaries and wages</u>	<u>\$4,139,907</u>	<u>\$295,408</u>	<u>\$4,435,315</u>
15	<u>Operating expenses</u>	<u>1,822,703</u>	<u>752,595</u>	<u>2,575,298</u>
16	<u>Grants</u>	<u>2,233,528</u>	<u>50,000</u>	<u>2,283,528</u>
17	<u>Total all funds</u>	<u>\$8,196,138</u>	<u>\$1,098,003</u>	<u>\$9,294,141</u>
18	<u>Less estimated income</u>	<u>2,364,417</u>	<u>107,626</u>	<u>2,472,043</u>
19	<u>Total general fund</u>	<u>\$5,831,721</u>	<u>\$990,377</u>	<u>\$6,822,098</u>
20	Full-time equivalent positions	26.75	0.00	26.75

21 Subdivision 34.

22 SCHOOL FOR THE DEAF

23		Adjustments or		
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
25	Salaries and wages	\$8,332,820	\$855,432	\$9,188,252
26	Operating expenses	1,705,586	120,171	1,825,757
27	Capital assets	158,678	843,500	1,002,178
28	Total all funds	\$10,197,084	\$1,819,103	\$12,016,187
29	Less estimated income	2,790,528	887,693	3,678,221
30	Total general fund	\$7,406,556	\$931,410	\$8,337,966
31	<u>Salaries and wages</u>	<u>\$8,332,820</u>	<u>\$604,780</u>	<u>\$8,937,600</u>

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1	<u>Operating expenses</u>	1,705,586	120,171	1,825,757
2	<u>Capital assets</u>	158,678	843,500	1,002,178
3	<u>Total all funds</u>	\$10,197,084	\$1,568,451	\$11,765,535
4	<u>Less estimated income</u>	2,790,528	875,163	3,665,691
5	<u>Total general fund</u>	\$7,406,556	\$693,288	\$8,099,844
6	Full-time equivalent positions	44.61	0.75	45.36
7	Subdivision <u>45</u> .			

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11	Salaries and wages	\$4,992,194	\$445,666	\$5,437,860
12	Operating expenses	792,671	103,015	895,686
13	Capital assets	39,192	439,000	478,192
14	Total all funds	\$5,824,057	\$987,681	\$6,811,738
15	Less estimated income	1,062,178	602,245	1,664,423
16	Total general fund	\$4,761,879	\$385,436	\$5,147,315
17	<u>Salaries and wages</u>	\$4,992,194	\$354,219	\$5,346,413
18	<u>Operating expenses</u>	792,671	103,015	895,686
19	<u>Capital assets</u>	39,192	439,000	478,192
20	<u>Total all funds</u>	\$5,824,057	\$896,234	\$6,720,291
21	<u>Less estimated income</u>	1,062,178	598,533	1,660,711
22	<u>Total general fund</u>	\$4,761,879	\$297,701	\$5,059,580
23	Full-time equivalent positions	27.75	0.00	27.75
24	Subdivision <u>56</u> .			

TOTAL - SECTION 1

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
28	Grand total general fund	\$1,676,197,029	\$242,573,004	\$1,918,770,033
29	Grand total special funds	944,450,393	155,673,339	1,100,123,732
30	Grand total all funds	\$2,620,647,422	\$398,246,343	\$3,018,893,765
31	<u>Grand total general fund</u>	\$1,676,197,029	\$66,197,917	\$1,742,394,946

1	<u>Grand total special funds</u>	<u>944,450,393</u>	<u>193,480,548</u>	<u>1,137,930,941</u>
2	<u>Grand total all funds</u>	<u>\$2,620,647,422</u>	<u>\$259,678,465</u>	<u>\$2,880,325,887</u>

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
4 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
6 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
8	Department of public instruction		
9	— Science experiments grant	\$13,500,000	\$0
10	— Regional education association grants	250,000	0
11	— State automated reporting system maintenance	200,000	0
12	— Children's science center	5,900,000	0
13	— State automated reporting system and	10,100,000	0
14	— statewide longitudinal data system upgrades		
15	— Elementary and secondary school emergency	305,266,879	0
16	— education relief		
17	— Emergency education relief homeless children	1,999,661	0
18	— and youth program		
19	— Assistance to nonpublic schools	4,151,371	0
20	— Individuals with disabilities education act grant	8,632,569	0
21	— Grow your own teacher program	0	3,000,000
22	— School board training grants	0	2,000,000
23	— Cybersecurity training for teachers	0	1,000,000
24	— Total department of public instruction	\$350,000,480	\$6,000,000
25	— all funds		
26	— Total department of public instruction	349,800,480	6,000,000
27	— estimated income		
28	— Total department of public instruction	\$200,000	\$0
29	— general fund		
30	<u>Department of public instruction</u>		
31	<u>Science experiments grants</u>	<u>\$13,500,000</u>	<u>\$5,500,000</u>

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1	Regional education association grants	250,000	70,000
2	State automated reporting system maintenance	200,000	0
3	Children's science center	5,900,000	0
4	State automated reporting system and	10,100,000	0
5	statewide longitudinal data system upgrades		
6	Elementary and secondary school emergency	305,266,879	0
7	education relief		
8	Emergency education relief homeless children	1,999,661	0
9	and youth program		
10	Assistance to nonpublic schools	4,151,371	0
11	Individuals with Disabilities Education Act grant	8,632,569	0
12	School board training grants	0	1,500,000
13	Statewide reading tool	0	1,600,000
14	Statewide teacher retention program	0	2,300,000
15	Total department of public instruction -	\$350,000,480	\$10,970,000
16	all funds		
17	Total department of public instruction -	349,800,480	10,900,000
18	estimated income		
19	Total department of public instruction -	\$200,000	\$70,000
20	general fund		
21	State library		
22	COVID-19 salaries and wages	\$86,669	\$0
23	COVID-19 operating expenses	1,580,057	0
24	COVID-19 grants	500,000	0
25	Retirement leave payouts	0	40,000
26	Maintenance of effort	0	100,000
27	IT equipment	0	43,000
28	Building renovations	0	150,000
29	Total state library - all funds	\$2,166,726	\$333,000
30	Total state library - estimated income	2,166,726	0
31	Total state library - general fund	\$0	\$333,000

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1	School for the deaf		
2	Campus server upgrade	\$7,500	\$0
3	Operating expenses	21,500	0
4	Equipment	40,000	43,500
5	Boiler and resource center projects	650,000	0
6	Operating expense inflation	0	120,171
7	Boiler replacement	0	650,000
8	Fire alarm and controls	<u>0</u>	<u>150,000</u>
9	Total school for the deaf - all funds	\$719,000	\$963,671
10	Total school for the deaf - estimated income	<u>719,000</u>	<u>873,586</u>
11	Total school for the deaf - general fund	\$0	\$90,085
12	North Dakota vision services - school for the blind		
13	Vision screening devices	\$11,500	\$0
14	Replace flooring	10,000	0
15	Replace south wing air conditioning	40,000	0
16	Repair sidewalk, roof, and parking lot	24,000	0
17	Replace doors and key system	45,000	0
18	Heating, ventilation, and air conditioning upgrades	86,000	0
19	Install LED lighting	33,000	0
20	South wing electrical service	165,000	0
21	Equipment	0	26,000
22	Repairs and maintenance	<u>0</u>	<u>439,000</u>
23	Total school for the blind - estimated income	\$414,500	\$465,000
24	Grand total - all funds	\$353,300,706	\$7,761,671
25	Grand total - estimated income	353,100,706	7,338,586
26	Grand total - general fund	\$200,000	\$423,085
27	<u>Grand total - all funds</u>	<u>\$353,300,706</u>	<u>\$12,731,671</u>
28	<u>Grand total - estimated income</u>	<u>353,100,706</u>	<u>12,238,586</u>
29	<u>Grand total - general fund</u>	<u>\$200,000</u>	<u>\$493,085</u>

30 The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
31 the 2025-27 biennium. The department of public instruction, state library, school for the deaf,

1 and North Dakota vision services - school for the blind shall report to the appropriations
2 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
3 biennium beginning July 1, 2023, and ending June 30, 2025.

4 **SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$510,860,000,
5 included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is
6 from the state tuition fund in the state treasury. Any additional amount in the state tuition fund
7 that becomes available for distribution to public schools is appropriated to the department of
8 public instruction for that purpose for the biennium beginning July 1, 2023, and ending June 30,
9 2025.

10 **SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The
11 estimated income line item in subdivision 1 of section 1 of this Act includes the sum of
12 ~~\$143,454,500~~ \$157,000,000 from the foundation aid stabilization fund for integrated formula
13 payments.

14 **SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
15 **FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum
16 of \$19,493,086 from the strategic investment and improvements fund for integrated formula
17 payments and certain passthrough grants.

18 **SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION**
19 **CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may
20 expend funds included in the integrated formula payments and grants - special education
21 contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational
22 services that were due in the 2021-23 biennium but which were not filed, claimed, or properly
23 supported by the education provider until after June 30, 2023. To be reimbursed under this
24 section, claims must be properly supported and filed with the superintendent of public
25 instruction by June 30, 2024.

26 **SECTION 7. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the
27 integrated formula payments line item in subdivision 1 of section 1 of this Act, must be
28 distributed to reimburse school districts or special education units for gifted and talented
29 programs upon the submission of an application that is approved in accordance with guidelines
30 adopted by the superintendent of public instruction. The superintendent of public instruction

1 shall encourage cooperative efforts for gifted and talented programs among school districts and
2 special education units.

3 **SECTION 8. MEDICAID MATCHING FUNDING AND SCHOOL APPROVAL -**
4 **WITHHOLDING AND DISTRIBUTION.**

- 5 1. State school aid payments for special education must be reduced by the amount of
6 matching funds required to be paid by school districts or special education units for
7 students participating in the Medicaid program for the biennium beginning July 1,
8 2023, and ending June 30, 2025. Special education funds equal to the amount of the
9 matching funds required to be paid by the school district or special education unit must
10 be paid by the superintendent of public instruction to the department of health and
11 human services on behalf of the school district or unit.
- 12 2. State school aid payments for integrated formula payments must be reduced by the
13 amount of funds required to be paid by school districts for school approval for the
14 biennium beginning July 1, 2023, and ending June 30, 2025.

15 **SECTION 9. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME**
16 **FUNDING - DISTRIBUTION.** The grants - program grants line item included in subdivision 1 of
17 section 1 of this Act includes \$70,000 from the general fund for the purpose of providing a
18 one-time \$35,000 grant to each regional education association that merges with another
19 regional education association to form a single entity with a single governing board during the
20 biennium beginning July 1, 2023, and ending June 30, 2025.

21 **SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.**

22 The integrated formula payments line item in subdivision 1 of section 1 of this Act includes
23 \$700,000 from the general fund for the purpose of providing annual grants to regional education
24 associations for the biennium beginning July 1, 2023, and ending June 30, 2025. An annual
25 grant of \$50,000 is provided to each regional education association that exists as of July 1,
26 2023. Regional education associations that merge during the 2023-25 biennium are entitled to
27 the annual grants that would have been paid to each of the member associations.

28 ~~**SECTION 11. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION -**~~

29 ~~**REPORTING.** The grants - passthrough grants line item in subdivision 1 of section 1 of this Act~~
30 ~~includes \$2,229,764 for passthrough grants. The superintendent of public instruction shall~~
31 ~~determine the manner in which each passthrough grant is distributed but no more than one-half~~

~~of the funding may be provided each year of the biennium. Annually grantees, as a condition of receiving the grant, must establish performance measures to be reviewed by the superintendent of public instruction. Grantees shall report annually to the superintendent of public instruction regarding performance based on the measures. The superintendent may not distribute the grant payment for the second year of the biennium until the grantee submits the annual report for the first year of the biennium. The superintendent of public instruction shall report to the appropriations committees of the sixty-ninth legislative assembly regarding funds granted, performance measures established for each grantee, and whether grantees met performance expectations.~~

**SECTION 11. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL
COMPENSATION INCREASES.**

1. During the 2023-25 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district, resulting from increases in the base integrated formula payment rate, to increase the compensation and benefits paid to nonadministrative personnel.
2. For purposes of this section, the superintendent of public instruction shall provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2023-25 biennium.

**SECTION 12. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL
EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.**

Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account. In addition, any moneys collected by the department of public instruction for general educational development fees and displaced homemakers deposits must be deposited in the public instruction fund in the state treasury. Any funds deposited in the public instruction fund may only be spent subject to appropriation by the legislative assembly.

**SECTION 13. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER -
GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2021-23 biennium, from any moneys remaining in the integrated formula payments line item in subdivision 1 of

1 | section 1 of chapter 13 of the 2021 Session Laws, the lesser of ~~\$16,009,764~~\$16,549,000 or the
2 | remaining amount must be continued into the 2023-25 biennium and the office of management
3 | and budget shall transfer this amount into the public instruction fund for the purpose of providing
4 | program and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The
5 | superintendent of public instruction shall transfer any these funds remaining unspent at the end
6 | of the 2023-25 biennium to the general fund.

7 | **SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
8 | appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
9 | the biennium beginning July 1, 2023, and ending June 30, 2025:

- 10 | 1. Any funds remaining from federal funds derived from the elementary and secondary
11 | school emergency education relief fund and any other federal funds appropriated in
12 | subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
- 13 | 2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of
14 | chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the
15 | 2021 Special Session Session Laws.

16 | **SECTION 15. EXEMPTION - UNEXPENDED STATE AUTOMATED REPORTING**
17 | **SYSTEM AND STATEWIDE LONGITUDINAL DATA SYSTEM UPGRADE APPROPRIATION -**
18 | **TRANSFER.** The sum of \$10,000,000 of special funds from the public instruction fund in the
19 | state treasury, derived from reimbursements withheld from school districts' integrated formula
20 | payments for the purpose of information technology project upgrades to the state automated
21 | reporting system and the statewide longitudinal data system, appropriated to the department of
22 | public instruction in section 17 of chapter 549 of the 2021 Special Session Session Laws, is not
23 | subject to the provisions of section 54-44.1-11 and any unexpended funds from this one-time
24 | appropriation may be continued and are available for information technology project upgrades
25 | to the state automated reporting system and the statewide longitudinal data system during the
26 | biennium beginning July 1, 2023, and ending June 30, 2025. The department of public
27 | instruction shall transfer any funds continued in excess of \$5,000,000 to the information
28 | technology department for statewide longitudinal data system upgrades.

29 | **SECTION 16. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision ~~23~~
30 | of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than
31 | one-half may be expended during the fiscal year ending June 30, 2024.

1 **SECTION 17. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15.1-02-02. Salary.**

4 The annual salary of the superintendent of public instruction is one hundred ~~twenty-seven~~
5 ~~thousand seven hundred sixty-eight~~ thirty-five thousand five hundred thirty-eight
6 thousand one hundred forty-two dollars through June 30, ~~2022~~2024, and one hundred ~~thirty-~~
7 ~~thousand three hundred twenty-three~~ forty thousand nine hundred fifty-seven
8 thousand six hundred sixty-eight dollars thereafter.

9 **SECTION 18. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**
12 **through June 30, 2025)**

- 13 1. To determine the amount of state aid payable to each district, the superintendent of
14 public instruction shall establish each district's baseline funding. A district's baseline
15 funding consists of:
- 16 a. All state aid received by the district in accordance with chapter 15.1-27 during the
17 2018-19 school year;
 - 18 b. An amount equal to the property tax deducted by the superintendent of public
19 instruction to determine the 2018-19 state aid payment;
 - 20 c. An amount equal to seventy-five percent of the revenue received by the school
21 district during the 2017-18 school year for the following revenue types:
 - 22 (1) Revenue reported under code 2000 of the North Dakota school district
23 financial accounting and reporting manual, as developed by the
24 superintendent of public instruction in accordance with section 15.1-02-08;
 - 25 (2) Mineral revenue received by the school district through direct allocation from
26 the state treasurer and not reported under code 2000 of the North Dakota
27 school district financial accounting and reporting manual, as developed by
28 the superintendent of public instruction in accordance with section
29 15.1-02-08;
 - 30 (3) Tuition reported under code 1300 of the North Dakota school district
31 financial accounting and reporting manual, as developed by the

1 superintendent of public instruction in accordance with section 15.1-02-08,
2 with the exception of revenue received specifically for the operation of an
3 educational program provided at a residential treatment facility, tuition
4 received for the provision of an adult farm management program, and
5 beginning in the 2021-22 school year, seventeen percent of tuition received
6 under an agreement to educate students from a school district on an
7 air force base with funding received through federal impact aid, and an
8 additional seventeen percent of tuition received under an agreement to
9 educate students from a school district on an air force base with funding
10 received through federal impact aid each school year thereafter, until the
11 2024-25 school year when sixty-eight percent of tuition received under an
12 agreement to educate students from a school district on an air force base
13 with funding received through federal impact aid must be excluded from the
14 tuition calculation under this paragraph;

- 15 (4) Revenue from payments in lieu of taxes on the distribution and transmission
16 of electric power;
- 17 (5) Revenue from payments in lieu of taxes on electricity generated from
18 sources other than coal; and
- 19 (6) Revenue from the leasing of land acquired by the United States for which
20 compensation is allocated to the state under 33 U.S.C. 701(c)(3);

21 d. An amount equal to the total revenue received by the school district during the
22 2017-18 school year for the following revenue types:

- 23 (1) Mobile home tax revenue;
- 24 (2) Telecommunications tax revenue; and
- 25 (3) Revenue from payments in lieu of taxes and state reimbursement of the
26 homestead credit and disabled veterans credit; and

27 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
28 baseline funding for any school district that becomes an elementary district
29 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
30 be proportional to the number of weighted student units in the grades that are
31 offered through another school district relative to the total number of weighted

1 student units the school district offered in the year before the school district
2 became an elementary district. The reduced baseline funding applies to the
3 calculation of state aid for the first school year in which the school district
4 becomes an elementary district and for each year thereafter. For districts that
5 become an elementary district prior to the 2020-21 school year, the
6 superintendent shall use the reduced baseline funding to calculate state aid for
7 the 2020-21 school year and for each year thereafter.

- 8 2. a. The superintendent shall divide the district's baseline funding determined in
9 subsection 1 by the district's 2017-18 weighted student units to determine the
10 district's baseline funding per weighted student unit.
- 11 b. For any school district that becomes an elementary district pursuant to section
12 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
13 district's baseline funding per weighted student unit used to calculate state aid.
14 The superintendent shall divide the district's baseline funding determined in
15 subsection 1 by the district's weighted student units after the school district
16 becomes an elementary district to determine the district's adjusted baseline
17 funding per weighted student unit. The superintendent shall use the district's
18 adjusted baseline funding per weighted student unit in the calculation of state aid
19 for the first school year in which the school district becomes an elementary
20 district and for each year thereafter.
- 21 c. Beginning with the 2021-22 school year and for each school year thereafter, the
22 superintendent shall reduce the district's baseline funding per weighted student
23 unit. Each year the superintendent shall calculate the amount by which the
24 district's baseline funding per weighted student unit exceeds the payment per
25 weighted student unit provided in subsection 3. The superintendent shall reduce
26 the district's baseline funding per weighted student unit by fifteen percent of the
27 amount by which the district's baseline funding per weighted student unit exceeds
28 the payment per weighted student unit for the 2021-22 school year. For each
29 year thereafter, the reduction percentage is increased by an additional fifteen
30 percent. However, the district's baseline funding per weighted student unit, after

- 1 the reduction, may not be less than the payment per weighted student unit
2 provided in subsection 3.
- 3 3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
4 greater of:
- 5 (1) The district's weighted student units multiplied by ten thousand one hundred
6 thirty-six dollars;
- 7 (2) One hundred two percent of the district's baseline funding per weighted
8 student unit, as established in subsection 2, multiplied by the district's
9 weighted student units, not to exceed the district's 2017-18 baseline
10 weighted student units, plus any weighted student units in excess of the
11 2017-18 baseline weighted student units multiplied by ten thousand
12 one hundred thirty-six dollars; or
- 13 (3) The district's baseline funding as established in subsection 1 less the
14 amount in paragraph 1, with the difference reduced by fifteen percent and
15 then the difference added to the amount determined in paragraph 1.
- 16 b. For the 2022-23 school year and each school year thereafter, the superintendent
17 shall calculate state aid as the greater of:
- 18 (1) The district's weighted student units multiplied by ten thousand two hundred
19 thirty-seven dollars;
- 20 (2) One hundred two percent of the district's baseline funding per weighted
21 student unit, as established in subsection 2, multiplied by the district's
22 weighted student units, not to exceed the district's 2017-18 baseline
23 weighted student units, plus any weighted student units in excess of the
24 2017-18 baseline weighted student units multiplied by ten thousand
25 two hundred thirty-seven dollars; or
- 26 (3) The district's baseline funding as established in subsection 1 less the
27 amount in paragraph 1, with the difference reduced by thirty percent for the
28 2022-23 school year and the reduction percentage increasing by fifteen
29 percent each school year thereafter until the difference is reduced to zero,
30 and then the difference added to the amount determined in paragraph 1.

- 1 c. The superintendent also shall adjust state aid determined in this subsection to
2 ensure the amount does not exceed the transition maximum as follows:
- 3 (1) For the 2021-22 school year, the transition maximum rate is one hundred
4 ten percent of the district's baseline funding per weighted student unit, as
5 established in subsection 2, multiplied by the district's weighted student
6 units from the previous school year.
- 7 (2) For the 2022-23 school year, the transition maximum rate is one hundred
8 ten percent of the district's baseline funding per weighted student unit, as
9 established in subsection 2, multiplied by the district's weighted student
10 units from the previous school year.
- 11 (3) For the 2023-24 school year, the transition maximum rate is one hundred
12 ten percent of the district's baseline funding per weighted student unit, as
13 established in subsection 2, plus twenty percent of the difference between
14 the rate under paragraph 1 of subdivision b of this subsection and
15 one hundred ten percent of the district's baseline funding per weighted
16 student unit. The transition maximum is determined by multiplying the
17 transition maximum rate, which may not exceed the rate under paragraph 1
18 of subdivision b of this subsection, by the district's weighted student units
19 from the previous school year.
- 20 (4) For the 2024-25 school year, the transition maximum rate is one hundred
21 ten percent of the district's baseline funding per weighted student unit, as
22 established in subsection 2, plus forty percent of the difference between the
23 rate under paragraph 1 of subdivision b of this subsection and one hundred
24 ten percent of the district's baseline funding per weighted student unit. The
25 transition maximum is determined by multiplying the transition maximum
26 rate, which may not exceed the rate under paragraph 1 of subdivision b of
27 this subsection, by the district's weighted student units from the previous
28 school year.
- 29 (5) For the 2025-26 school year, the transition maximum rate is one hundred
30 ten percent of the district's baseline funding per weighted student unit, as
31 established in subsection 2, plus sixty percent of the difference between the

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

7 (6) For the 2026-27 school year, the transition maximum rate is one hundred
8 ten percent of the district's baseline funding per weighted student unit, as
9 established in subsection 2, plus eighty percent of the difference between
10 the rate under paragraph 1 of subdivision b of this subsection and
11 one hundred ten percent of the district's baseline funding per weighted
12 student unit. The transition maximum is determined by multiplying the
13 transition maximum rate, which may not exceed the rate under paragraph 1
14 of subdivision b of this subsection, by the district's weighted student units
15 from the previous school year.

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

- 18 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
19 school district, except the amount in dollars subtracted for purposes of this
20 subdivision may not exceed the previous year's amount in dollars subtracted for
21 purposes of this subdivision by more than twelve percent, adjusted pursuant to
22 section 15.1-27-04.3; and
- 23 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
24 subdivisions c and d of subsection 1. Before determining the deduction for
25 seventy-five percent of all revenue types, the superintendent of public instruction
26 shall adjust revenues as follows:

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

- 28 (a) In addition to deducting tuition revenue received specifically for the
29 operation of an educational program provided at a residential
30 treatment facility, tuition revenue received for the provision of an adult
31 farm management program, [tuition received for the education of](#)

1 | high-cost and special education students, and tuition received under
2 | an agreement to educate students from a school district on an air
3 | force base with funding received through federal impact aid as
4 | directed each school year in paragraph 3 of subdivision c of
5 | subsection 1, the superintendent of public instruction also shall reduce
6 | the total tuition reported by the school district by the amount of tuition
7 | revenue received for the education of students not residing in the
8 | state and for which the state has not entered a cross-border education
9 | contract; and

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

15 | (2) After adjusting tuition revenue as provided in paragraph 1, the
16 | superintendent shall reduce all remaining revenues from all revenue types
17 | by the percentage of mills levied in 2020 by the school district for sinking
18 | and interest relative to the total mills levied in 2020 by the school district for
19 | all purposes.

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

23 | 6. On or before June thirtieth of each year, the school board shall certify to the
24 | superintendent of public instruction the final average daily membership for the current
25 | school year.

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

29 | a. The amount of revenue received by each school district in the county during the
30 | previous school year for each type of revenue identified in subdivisions c and d of
31 | subsection 1;

- 1 b. The total number of mills levied in the previous calendar year by each school
2 district for all purposes; and
3 c. The number of mills levied in the previous calendar year by each school district
4 for sinking and interest fund purposes.

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

- 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 2018-19 school year;
12 b. An amount equal to the property tax deducted by the superintendent of public
13 instruction to determine the 2018-19 state aid payment;
14 c. An amount equal to seventy-five percent of the revenue received by the school
15 district during the 2017-18 school year for the following revenue types:
16 (1) Revenue reported under code 2000 of the North Dakota school district
17 financial accounting and reporting manual, as developed by the
18 superintendent of public instruction in accordance with section 15.1-02-08;
19 (2) Mineral revenue received by the school district through direct allocation from
20 the state treasurer and not reported under code 2000 of the North Dakota
21 school district financial accounting and reporting manual, as developed by
22 the superintendent of public instruction in accordance with section
23 15.1-02-08;
24 (3) Tuition reported under code 1300 of the North Dakota school district
25 financial accounting and reporting manual, as developed by the
26 superintendent of public instruction in accordance with section 15.1-02-08,
27 with the exception of revenue received specifically for the operation of an
28 educational program provided at a residential treatment facility, tuition
29 received for the provision of an adult farm management program, and
30 beginning in the 2025-26 school year, eighty-five percent of tuition received
31 under an agreement to educate students from a school district on an

1 air force base with funding received through federal impact aid, until the
2 2026-27 school year, and each school year thereafter, when all tuition
3 received under an agreement to educate students from a school district on
4 an air force base with funding received through federal impact aid must be
5 excluded from the tuition calculation under this paragraph;

6 (4) Revenue from payments in lieu of taxes on the distribution and transmission
7 of electric power;

8 (5) Revenue from payments in lieu of taxes on electricity generated from
9 sources other than coal; and

10 (6) Revenue from the leasing of land acquired by the United States for which
11 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

12 d. An amount equal to the total revenue received by the school district during the
13 2017-18 school year for the following revenue types:

14 (1) Mobile home tax revenue;

15 (2) Telecommunications tax revenue; and

16 (3) Revenue from payments in lieu of taxes and state reimbursement of the
17 homestead credit and disabled veterans credit.

18 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
19 baseline funding for any school district that becomes an elementary district
20 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
21 be proportional to the number of weighted student units in the grades that are
22 offered through another school district relative to the total number of weighted
23 student units the school district offered in the year before the school district
24 became an elementary district. The reduced baseline funding applies to the
25 calculation of state aid for the first school year in which the school district
26 becomes an elementary district and for each year thereafter. For districts that
27 become an elementary district prior to the 2020-21 school year, the
28 superintendent shall use the reduced baseline funding to calculate state aid for
29 the 2020-21 school year and for each year thereafter.

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

1 weighted student units, not to exceed the district's 2017-18 baseline
2 weighted student units, plus any weighted student units in excess of the
3 2017-18 baseline weighted student units multiplied by ten thousand
4 one hundred thirty-six dollars; or

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

8 b. For the 2022-23 school year and each school year thereafter, the superintendent
9 shall calculate state aid as the greater of:

10 (1) The district's weighted student units multiplied by ten thousand two hundred
11 thirty-seven dollars;

12 (2) One hundred two percent of the district's baseline funding per weighted
13 student unit, as established in subsection 2, multiplied by the district's
14 weighted student units, not to exceed the district's 2017-18 baseline
15 weighted student units, plus any weighted student units in excess of the
16 2017-18 baseline weighted student units multiplied by ten thousand
17 two hundred thirty-seven dollars; or

18 (3) The district's baseline funding as established in subsection 1 less the
19 amount in paragraph 1, with the difference reduced by thirty percent for the
20 2022-23 school year and the reduction percentage increasing by fifteen
21 percent each school year thereafter until the difference is reduced to zero,
22 and then the difference added to the amount determined in paragraph 1.

23 c. The superintendent also shall adjust state aid determined in this subsection to
24 ensure the amount does not exceed the transition maximum as follows:

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

29 (2) For the 2022-23 school year, the transition maximum rate is one hundred
30 ten percent of the district's baseline funding per weighted student unit, as

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

3 (3) For the 2023-24 school year, the transition maximum rate is one hundred
4 ten percent of the district's baseline funding per weighted student unit, as
5 established in subsection 2, plus twenty percent of the difference between
6 the rate under paragraph 1 of subdivision b of this subsection and
7 one hundred ten percent of the district's baseline funding per weighted
8 student unit. The transition maximum is determined by multiplying the
9 transition maximum rate, which may not exceed the rate under paragraph 1
10 of subdivision b of this subsection, by the district's weighted student units
11 from the previous school year.

12 (4) For the 2024-25 school year, the transition maximum rate is one hundred
13 ten percent of the district's baseline funding per weighted student unit, as
14 established in subsection 2, plus forty percent of the difference between the
15 rate under paragraph 1 of subdivision b of this subsection and one hundred
16 ten percent of the district's baseline funding per weighted student unit. The
17 transition maximum is determined by multiplying the transition maximum
18 rate, which may not exceed the rate under paragraph 1 of subdivision b of
19 this subsection, by the district's weighted student units from the previous
20 school year.

21 (5) For the 2025-26 school year, the transition maximum rate is one hundred
22 ten percent of the district's baseline funding per weighted student unit, as
23 established in subsection 2, plus sixty percent of the difference between the
24 rate under paragraph 1 of subdivision b of this subsection and one hundred
25 ten percent of the district's baseline funding per weighted student unit. The
26 transition maximum is determined by multiplying the transition maximum
27 rate, which may not exceed the rate under paragraph 1 of subdivision b of
28 this subsection, by the district's weighted student units from the previous
29 school year.

30 (6) For the 2026-27 school year, the transition maximum rate is one hundred
31 ten percent of the district's baseline funding per weighted student unit, as

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

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

- 10 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
11 school district; and
12 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
13 subdivisions c and d of subsection 1. Before determining the deduction for
14 seventy-five percent of all revenue types, the superintendent of public instruction
15 shall adjust revenues as follows:

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

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

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

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

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

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

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

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

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

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

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

25 **SECTION 19. AMENDMENT.** Section 15.1-32-01 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **15.1-32-01. Definitions.**

28 As used in this chapter:

- 29 1. "Major life activities" include learning, walking, talking, breathing, and caring for
30 oneself.

- 1 | 2. "Related services" means transportation and developmental and corrective or
2 | supportive services required to assist a student with disabilities to benefit from special
3 | education.
- 4 | 2.3. "Special education" means instruction designed to meet the needs of a student with
5 | disabilities, transportation, and corrective and supporting services required to assist a
6 | student with disabilities in taking advantage of, or responding to, educational programs
7 | and opportunities.
- 8 | 3.4. "Student who is gifted" means an individual who is identified by qualified professionals
9 | as being capable of high performance and who needs educational programs and
10 | services beyond those normally provided in a regular education program.
- 11 | 4.5. a. "Student with a disability" means an individual who is at least three years of age
12 | but who has not reached the age of twenty-one before August first of the year in
13 | which the individual turns twenty-one and who requires special education and
14 | related services because of:
- 15 | (1) An intellectual disability;
 - 16 | (2) A hearing impairment, including deafness;
 - 17 | (3) Deaf-blindness;
 - 18 | (4) A speech or language impairment;
 - 19 | (5) A visual impairment, including blindness;
 - 20 | (6) An emotional disturbance;
 - 21 | (7) An orthopedic impairment;
 - 22 | (8) Autism;
 - 23 | (9) A traumatic brain injury;
 - 24 | (10) Other health impairment; or
 - 25 | (11) A specific learning disability.
- 26 | b. "Student with a disability" includes a student age eighteen through twenty-one
27 | who is incarcerated in an adult correctional facility and who, in the last
28 | educational placement prior to incarceration, was identified as being a student
29 | with a disability and did not have an individualized education program or was
30 | identified as being a student with a disability and had an individualized education
31 | program.

1 6. "Student with a significant medical condition" means a student with a physical or
2 mental impairment, whether permanent or temporary, which substantially limits one or
3 more major life activities and who is not entitled to special education and related
4 services.

5 **SECTION 20. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15.1-32-14. ~~Special education students – Contracts for placement~~High-cost students.**

8 1. If in the opinion of an individualized education program team or a services plan team a
9 student with a disability or a student with a significant medical condition is unable to
10 attend a public school in ~~the special education unit to which~~ the student's school
11 district of residence ~~belongs~~, the student's school district of residence shall
12 ~~contract~~release the student at the time deemed necessary to begin attendance with
13 another public school that:

14 a. ~~Does not belong to the same special education unit;~~

15 ~~b.~~ Is located in this state;

16 ~~e.b.~~ Is willing to admit the student; and

17 ~~d.c.~~ Is able to provide appropriate services to the student.

18 2. ~~The superintendent of public instruction shall approve in advance the terms of the~~
19 ~~contract and the services to be provided by the admitting school.~~

20 ~~3.~~ The contract must provide that the student's school district of residence is liable for the
21 cost of educating the student.

22 ~~4.3.~~ Upon being notified by the district in which the student receives services that the
23 student's school district of residence has not paid for services that were provided to
24 the student, the superintendent of public instruction, after verification, shall withhold all
25 state aid payments to which the student's school district of residence is entitled, until
26 the required payments have been made.

27 **SECTION 21. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **15.1-32-18. Cost - Liability of school district for special education and other high-cost**
2 **services.**

- 3 1. Each year the superintendent of public instruction shall identify the approximately one
4 percent of ~~special education~~-students with a disability and students with a significant
5 medical condition statewide who are not eligible for cost reimbursement under section
6 15.1-29-14 and who require the greatest school district expenditures ~~in order~~ to
7 provide them with education and services, including special education and related
8 services. This percentage represents the number of students that would qualify for
9 excess cost reimbursement beyond the multiplier that is established in subsection 3.
- 10 2. The excess costs of providing ~~special education and related~~ services to these students
11 are the responsibility of the state and the superintendent of public instruction shall
12 reimburse the school districts for any excess costs incurred in the provision of ~~special-~~
13 ~~education and related~~the services to the identified students.
- 14 3. "Excess costs" are those that exceed four times the state average cost of education
15 per student and which are incurred by the ~~special education~~-students identified in
16 subsection 1.
- 17 4. All costs of providing ~~special education and related~~ services to those students
18 identified in subsection 1, other than excess costs reimbursed by the state, are the
19 responsibility of the student's school district of residence.
- 20 5. In addition to any other reimbursements provided under this section, if a school district
21 expends more than two percent of its annual budget for the provision of ~~special-~~
22 education and ~~related~~ services to one student with a disability or significant medical
23 condition, the district shall notify the superintendent of public instruction. Upon
24 verification, the superintendent shall reimburse the district for the difference between:
25 a. Two percent of the district's annual budget; and
26 b. The lesser of:
27 (1) The amount actually expended by the district for the provision of special
28 education and related services to that student; or
29 (2) The amount representing four times the state average cost of education per
30 student.

1 **SECTION 22. AMENDMENT.** Section 54-24.3-01 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-24.3-01. Definitions.**

4 In this chapter, unless the context otherwise requires:

- 5 1. "Academic library" means a library that is part of a college or university that is publicly
6 or privately funded and whose primary role is to provide resources to enrich and
7 support the school's curricula and the research needs of students and faculty.
- 8 2. "Library resource center" means a central service unit, whose location is to be agreed
9 upon by members of the regional library cooperative and which is responsible for
10 extending special services to support members of the regional library cooperative,
11 while meeting all cooperative standards.
- 12 3. "Multitype library authority" means a geographic subdivision within which multitype
13 libraries are organized for the purpose of providing library and information services
14 through cooperation and mutual support.
- 15 4. "Participant library" means any library agreeing to join a regional library cooperative.
- 16 5. "Public library" means a library that is supported with funds derived from taxation and
17 which maintains a balanced collection of materials to serve the lifelong information,
18 reading, and recreational needs of the general population. For purposes of this
19 chapter, "public library" includes tribal libraries.
- 20 6. "Regional library cooperative" means an organization of one or more types of library
21 organized under Article VI of section 54-24.1-01, or a multitype library authority.
- 22 7. "School library media center" means a learning center operated as part of a publicly or
23 privately supported school or school district and whose role is to provide instruction,
24 cooperatively design learning strategies, and provide resources that support and
25 enrich the curriculum, following the North Dakota school library media guidelines.
- 26 8. "Special library" means a public or private sector library whose collection is specialized
27 and limited in scope and size and whose role is to provide information to a limited
28 clientele.

29 **SECTION 23. EFFECTIVE DATE.** Senate Bill No. 2269, as approved by the sixty-eighth
30 legislative assembly, becomes effective July 1, 2023. Sections 3, 4, and 7 of Senate Bill
31 No. 2050, as approved by the sixty-eighth legislative assembly, become effective May 15, 2023.

1 | **SECTION 24. EMERGENCY.** Sections 3, 4, and 7 of Senate Bill No. 2050 and Senate Bill
2 | No. 2269, as approved by the sixty-eighth legislative assembly, are declared to be an
3 | emergency measure.