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Sixty-second
Legislative Assembly
of North Dakota

**SECOND ENGROSSMENT**
**with House Amendments**
**REENGROSSED SENATE BILL NO. 2150**

Introduced by

Senators Flakoll, Holmberg, O'Connell

Representatives R. Kelsch, Hawken, Delmore

A BILL for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.

a. One hundred seventy-three days must be used for instruction;

b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;

c. Up to two days must be used for:

(1) Parent-teacher conferences; or

(2) Compensatory time for parent-teacher conferences held outside regular school hours; and

d. Two days must be used for professional development.

2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.

a. One hundred seventy-four days must be used for instruction;

b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;

c. Up to two days must be used for:

(1) Parent-teacher conferences; or

(2) Compensatory time for parent-teacher conferences held outside of regular school hours; and

d. Two days must be used for professional development.

3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.

a. One hundred seventy-five days must be used for instruction;

b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;

c. Up to two days must be used for:

(1) Parent-teacher conferences; or

(2) Compensatory time for parent-teacher conferences held outside of regular school hours; and

d. Two days must be used for professional development.

4. A day for professional development must consist of:
   a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
   b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
6. a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
   b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
   c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
   a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
   b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:

(1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;

(2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and

(3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.

8. a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.

b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.

c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

9. For purposes of this section, a full day of instruction consists of:

a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and

b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~Early childhood education - Authorization - Support.**

The board of a school district may establish ~~a prekindergarten~~an early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program~~,~~; and ~~any gifts~~
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that~~:~~ the requirements of this section have been met.

1. The school districts must:
   a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
   b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and
      (2) Number at least twelve;
   c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
      (2) Have at least three thousand students in average daily membership; or
   d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
      (2) Have at least seven thousand five hundred students in average daily membership.

2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4~~.

4. ~~a. During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~

   ~~b. During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~

   ~~c. During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~

   ~~d. For purposes of this subsection:~~

      ~~(1) "Administrative functions" means:~~

         ~~(a) Business management;~~

         ~~(b) Career and technical education services management;~~

         ~~(c) Curriculum mapping or development;~~

         ~~(d) Data analysis;~~

         ~~(e) Federal program support;~~

         ~~(f) Federal title program management;~~

         ~~(g) Grant writing;~~

~~(h) School improvement;~~

~~(i) School safety and environment management;~~

~~(j) Special education services management;~~

~~(k) Staff development;~~

~~(l) Staff retention and recruitment;~~

~~(m) Staff sharing;~~

~~(n) Technology support; and~~

~~(o) Any other functions approved by the superintendent of public instruction.~~

~~(2) "Student services" means:~~

~~(a) Advanced placement classes;~~

~~(b) Alternative high schools or alternative high school programs;~~

~~(c) Career and technical education classes;~~

~~(d) Counseling services;~~

~~(e) Common elementary curricula;~~

~~(f) Distance learning classes;~~

~~(g) Dual credit classes;~~

~~(h) Foreign language classes;~~

~~(i) Library and media services;~~

~~(j) Summer programs;~~

~~(k) Supplemental instruction programs; and~~

~~(l) Any other services approved by the superintendent of public instruction.~~

~~e. For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~5.~~ The joint powers agreement ~~provides~~must provide:

a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;

b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and

c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

~~6.~~5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.

~~7.~~6. The joint powers agreement must:

a. ~~Establishes~~Establish the number of members on the governing board;

b. ~~Establishes~~Establish the manner in which members of the governing board are determined;

c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district or the designee of a participating school district's board; and

d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

~~8.~~7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.

~~9.~~8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:

a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;

b. Supplementation of technology support services;

c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;

d. Assistance with the collection, analysis, and interpretation of student achievement data; and

e. Assistance with the expansion and enrichment of curricular offerings.

2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;

2. Employ an individual to serve as a teacher support program coordinator;

3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or

b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:

(1) Research-validated interventions; and

(2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school ~~graduation - Diploma~~diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework~~:

~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~

~~2. Three units of mathematics;~~

~~3. Three units of science, including:~~

~~a. One unit of physical science;~~

~~b. One unit of biology; and~~

~~c. (1) One unit of any other science; or~~

~~(2) Two one-half units of any other science;~~

~~4. Three units of social studies, including:~~

~~a. One unit of United States history;~~

~~b. (1) One-half unit of United States government and one-half unit of economics; or~~

~~(2) One unit of problems of democracy; and~~

~~c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~

~~5. a. One unit of physical education; or~~

~~b. One-half unit of physical education and one-half unit of health;~~

~~6. Three units of:~~

~~a. Foreign languages;~~

~~b. Native American languages;~~

~~c. Fine arts; or~~

~~d. Career and technical education courses; and~~

~~7. Any five additional units.~~

1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
   a. One unit of physical science;

b. One unit of biology; and

c. (1) One unit of any other science; or

(2) Two one-half units of any other science;

4. Three units of social studies, including:

a. One unit of United States history;

b. (1) One-half unit of United States government and one-half unit of economics; or

(2) One unit of problems of democracy; and

c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;

5. a. One unit of physical education; or

b. One-half unit of physical education and one-half unit of health;

6. Three units of:

a. Foreign languages;

b. Native American languages;

c. Fine arts; or

d. Career and technical education courses; and

7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and~~:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:

a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction~~, in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1~~; and

b. ~~Completes two~~Two units of any other mathematics;

3. Completed three units of science, including:

a. One unit of physical science;

b. One unit of biology; and

c. (1) One unit of any other science; or

(2) Two one-half units of any other science;

4. Completed three units of social studies, including:

a. One unit of United States history;

b. (1) One-half unit of United States government and one-half unit of economics; or

(2) One unit of problems of democracy; and

c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;

5. a. Completed one unit of physical education; or

b. One-half unit of physical education and one-half unit of health;

6. Completed:

a. One unit selected from:

(1) Foreign languages;

(2) Native American languages;

(3) American sign language;

(4) Fine arts; or

(5) Career and technical education courses; and

b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; ~~and~~

~~c.~~7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;

~~2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~

~~3.~~8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least ~~"B"~~3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; or

b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; and

~~4.~~9. ~~Receives~~Received:

a. A composite score of at least twenty-four on an ACT; or

b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and~~:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:

a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction~~, in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1~~; and

b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~

~~c.~~3. ~~Completes~~Completed three units of science, including:

a. One unit of physical science;

b. One unit of biology; and

c. (1) One unit of any other science; or

(2) Two one-half units of any other science;

4. Completed three units of social studies, including:

a. One unit of United States history;

b. (1) One-half unit of United States government and one-half unit of economics; or

(2) One unit of problems of democracy; and

c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;

5. a. Completed one unit of physical education; or

b. One-half unit of physical education and one-half unit of health;

6. a. Completed:

(1) Two units of the same foreign or native American language;

(2) ~~One unit of fine arts or career and technical education~~American sign language; and

~~(3)~~b. One unit ~~of a foreign or native~~selected from:

(1) Foreign languages;

(2) Native American ~~language, fine~~languages;

(3) American sign language;

(4) Fine arts~~, or career~~; or

(5) Career and technical education;

~~2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~

~~3.~~7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;

8. a. (1) Obtained a cumulative grade point average of at least ~~"B"~~3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; or

b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit;

~~4.~~9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and

~~5.~~10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.

b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.

2. A student is not entitled to receive more than six thousand dollars under this section.

3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.

4. a. (1) This section does not require a student to be enrolled in consecutive semesters.

(2) This section does not require a student to be enrolled in consecutive quarters.

b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.

5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

   b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

   b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered ~~to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test~~annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter, the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 17. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school

education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.

4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 18. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. The ~~student's school district of residence~~superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
   a. Took the ACT, including the writing test;
   b. Took the three WorkKeys assessments; and

c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

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

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~

~~2. If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board~~ shall either provide at least a half-day kindergarten program for ~~the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.

~~3.~~2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

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

~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~

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

~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~

~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~

~~e. 0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~

~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~

~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~

~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~

~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~

~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~

~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~

~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~

~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~

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

**~~(Effective after June 30, 2011)~~ Weighted average daily membership - Determination.**

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

a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;

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

c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

e. 0.30 the number of full-time equivalent students who ~~on~~:

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

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

f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~

~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

~~i.~~ 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;

~~j.~~h. 0.20 the number of full-time equivalent students who ~~on~~:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and ~~are~~

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

~~k.~~i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;

~~l.~~j. ~~0.07~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily

membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;

~~m.~~l. 0.07 the number of full-time equivalent students who ~~on~~:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat~~more proficient ~~and are~~than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

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

(3) Have not been in the third of six categories of proficiency for more than three years;

~~n.~~m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1~~; and~~

~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology~~.

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

**SECTION 21. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred thirty dollars.

   b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~seventy dollars.

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 22. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:

   a. Adding together all state aid received by the district during the 2006-07 school year;

   b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and

   c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.

2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.

b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.

3. ~~a.~~ The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.

~~b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 23. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:

a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.

b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.

2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
   a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
   b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
   a. The district's general fund levy for the taxable year 2008; or
   b. One hundred eighty-five mills.
4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
   b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
   c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. <u>In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:</u>

a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and

b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.

7. For purposes of this section:

a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:

(1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

(2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.

c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.

d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 24. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. ~~(Effective through June 30, 2011) Payments to school districts - Unobligated general fund balance - Report to legislative council.~~**

~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~

~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~

~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~

~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~

~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~

~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

~~**(Effective after June 30, 2011)**~~ **Payments to school districts - Unobligated general fund balance.**

1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of ~~fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of~~ forty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
   a. All teachers employed by the board to teach in the school district; or
   b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
   a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
   b. Provide for a determination of compensation that takes into account:
      (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
      (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
      (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
      (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
      (5) Various measures of student growth, including academic growth;
   c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and

d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.

2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
   a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
   b. Two individuals appointed by the North Dakota council of educational leaders;
   c. Two individuals appointed by the North Dakota education association; and
   d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 28 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
   a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
   b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
   c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
   d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
   e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 33. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the 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.
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 valuation per student, the district is entitled to receive:
   a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
   b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two 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. 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 ~~seven~~ten million dollars or seventy percent of the actual project cost;
   b. An interest rate buydown equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
   c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least 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 ~~two~~four million ~~five hundred thousand~~ dollars or thirty percent of the actual project cost;
   b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
   c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 34. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
   - ~~1.~~a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
   - ~~2.~~b. Follows a developmentally appropriate curriculum; ~~and~~
   - ~~3.~~c. Is in compliance with all municipal and state health, fire, and safety requirements; and
   - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten~~In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 35. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
   - a. A chairman appointed by the governor;
   - b. The superintendent of public instruction, or the superintendent's designee;
   - c. The state health officer, or the officer's designee;
   - d. The director of the department of human services, or the director's designee;
   - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
   - f. The commissioner of higher education, or the commissioner's designee;
   - g. The commissioner of commerce, or the commissioner's designee;
   - h. The chairman of the senate education committee, or the chairman's designee;
   - ~~h.~~i. The chairman of the house of representatives education committee, or the chairman's designee; and

~~i.~~j. The following gubernatorial appointees:

(1) The superintendent of a school district having at least one thousand students in average daily membership;

(2) The superintendent of a school district having fewer than one thousand students in average daily membership;

(3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;

(4) ~~The principal of a school district;~~

~~(5) An individual employed as an elementary school teacher;~~

~~(6)~~ An individual representing a non-religious-based provider of ~~preschool~~early childhood education;

~~(7)~~(5) An individual representing a religious-based provider of ~~preschool~~early childhood education;

~~(8)~~(6) An individual representing a center-based licensed child care provider;

~~(9)~~(7) An individual representing a home-based licensed child care provider;

~~(10)~~(8) An individual representing a reservation-based head start program;

~~(11)~~(9) An elected member of a school board;

~~(12)~~(10) The parent of a child not yet enrolled in elementary school; ~~and~~

~~(13)~~(11) The parent of a child with ~~special needs~~disabilities not yet enrolled in elementary school~~.~~; and

(12) An individual representing children with disabilities.

**SECTION 36. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the ~~delivery~~availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~

~~4.~~ ~~Review~~Identify opportunities for public and private sector collaboration in the ~~delivery~~provision of early childhood education, care, and services in this state;

~~5. Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~

~~6.~~3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;

4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and

5. Provide a biennial report regarding its ~~activities~~findings and recommendations to the governor and the legislative ~~council~~assembly.

**SECTION 37. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

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

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

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

3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must

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

**SECTION 38. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
   a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
   b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
   c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
   d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

**SECTION 39. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
   a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
   b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;

c. Forty-six cents per mile, provided:

(1) The student being transported is a student with a disability, as defined in chapter 15.1-32;

(2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;

(3) The student is transported by an adult member of the student's family;

(4) The student is transported in a vehicle furnished by the student's parents;

(5) The student's transportation is paid for by the student's parents; and

(6) The reimbursement does not exceed two round trips daily between the student's home and school.

d. Forty-six cents per mile, one way, provided:

(1) The student being transported resides more than two miles from the public school that the student attends;

(2) The student is transported by an adult member of the student's family;

(3) The student is transported in a vehicle furnished by the student's parents; and

(4) The student's transportation is paid for by the student's parents; and

e. Twenty-six cents per student for each one-way trip.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.

3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to $5,000,000

from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than $800,000 annually in accordance with this section.

**SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLAN - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to $700,000 from the grants - other grants line item in the appropriation bill for the

superintendent of public instruction, as approved by the sixty-second legislative assembly for the purpose of providing a grant to any school district that submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.
2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
   a. Small, if it has fewer than one thousand weighted student units;
   b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
   c. Large, if it has at least five thousand weighted student units.

**SECTION 42. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the 2011-13 biennium, the superintendent of public instruction shall expend up to $300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. The superintendent of public instruction shall determine the amount to which a school district is entitled under this section based on the district's percentage of the statewide number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. A district may not receive more than $15,000 annually in accordance with this section.

**SECTION 43. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 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 for per student payments to increase the compensation paid to teachers and to provide

compensation to teachers who begin employment with the district on or after July 1, 2011.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
   a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
   b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
      (1) Contingent distributions;
      (2) Cross-border attendance moneys;
      (3) Deferred maintenance and physical plant improvements grants;
      (4) Equity payments;
      (5) Federal education jobs funds program moneys;
      (6) Home-based education program monitoring moneys;
      (7) Mill levy reduction payments;
      (8) PowerSchool acquisition, implementation, and utilization moneys;
      (9) Regional education association moneys and grants; and
      (10) Transportation payments; and
   c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the

school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 44. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 45. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 46. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 47. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:

a. The following nine voting members:

(1) The chairman of the house education committee, or the chairman's designee;

(2) The chairman of the house finance and taxation committee, or the chairman's designee;

(3) The chairman of the senate education committee, or the chairman's designee;

(4) The chairman of the senate finance and taxation committee, or the chairman's designee; and

(5) Five legislators appointed by the chairman of the legislative management; and

b. The following five nonvoting members:

(1) The tax commissioner or the commissioner's designee;

(2) The superintendent of public instruction or the superintendent's designee;

(3) A representative of the governor, selected by the governor; and

(4) Two school district business managers, appointed by the legislative management.

2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.

3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 48. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 49. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 50. EFFECTIVE DATE.** Section 48 of this Act becomes effective on July 1, 2013.