

Introduced by

Senators Schaible, Rust

Representatives Monson, Nathe, Owens

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota
2 Century Code, relating to definitions for the foundation aid stabilization fund; to amend and
3 reenact sections 15.1-36-01, 15.1-36-02, 15.1-36-06, and 15.1-36-08, subsection 7 of section
4 21-03-07, section 54-44.1-12, and subsection 1 of section 57-62-02 of the North Dakota
5 Century Code, relating to school construction loans from the coal development trust fund and
6 the school construction assistance revolving loan fund, control of the rate of expenditures, and
7 the transfer of interest from the coal development trust fund; to repeal sections 9 and 10 of
8 chapter 153 of the 2015 Session Laws and sections 15-10-60, 15.1-27-46, 15.1-36-02.1,
9 15.1-36-03, 15.1-36-06, and 15.1-36-07 of the North Dakota Century Code, relating to the
10 scholarship endowment fund, the uses of the foundation aid stabilization fund, and school
11 construction loans; to provide an expiration date; to provide contingent transfers; to provide
12 transfers; to provide an appropriation; to provide an effective date; and to declare an
13 emergency.

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

15 **SECTION 1. AMENDMENT.** Section 15.1-36-01 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15.1-36-01. School construction projects - Approval.**

- 18 1. Notwithstanding the powers and duties of school boards provided by law, the
19 superintendent of public instruction shall approve the construction, purchase, repair,
20 improvement, modernization, or renovation of any public school building or facility
21 before commencement of the project if the cost of the project, as estimated by the
22 school board, is in excess of one hundred fifty thousand dollars.
- 23 2. The superintendent of public instruction may not approve a project unless the school
24 district proposing the project:

- 1 a. Demonstrates the need for the project and the educational utility of the project or
2 demonstrates potential utilization of the project by a future reorganized school
3 district;
- 4 b. (1) Demonstrates that the student population has been stable or has increased
5 during the preceding five school years and is expected to be stable or to
6 increase during the ensuing five school years; or
7 (2) Demonstrates by clear and convincing evidence that, despite a declining
8 student population, there are no feasible alternatives to the proposed
9 project; and
- 10 c. Demonstrates the capacity to pay for the project under rules adopted by the
11 superintendent of public instruction pursuant to chapter 28-32.
- 12 3. a. If the superintendent of public instruction denies the project, the school board
13 may appeal the superintendent's decision to the state board of public school
14 education. In considering the appeal, the state board shall review:
- 15 (1) The need for the project;
16 (2) The educational utility of the project;
17 (3) The potential use of the project by a future reorganized school district;
18 (4) The capacity of the district to pay for the project; and
19 (5) Any other objective factors relative to the appeal.
- 20 b. The decision of the state board is final.
- 21 4. This section is applicable to any construction, purchase, repair, improvement,
22 renovation, or modernization, ~~even if the school board pays for the project in whole or~~
23 ~~in part with moneys received on account of the leasing of lands acquired by the United~~
24 ~~States for flood control, navigation, and allied purposes in accordance with 33 U.S.C.~~
25 ~~701c-3 or in accordance with moneys received under the American Recovery and~~
26 ~~Reinvestment Act of 2009.~~
- 27 5. For purposes of this chapter, "facility" includes a public school parking lot, public
28 school athletic complex, or any other improvement to real property owned by the
29 school district.

30 **SECTION 2. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15.1-36-02. Coal development trust fund - Board of university and school lands -**
2 **School construction projects - Unanticipated construction projects and emergency**
3 **repairs - Loans.**

- 4 1. ~~In order to provide school construction loans, the board of university and school lands~~
5 ~~may authorize the use of:~~
- 6 a. ~~Fifty million dollars, or so much of that amount as may be necessary, from the~~
7 ~~coal development trust fund, established pursuant to section 21 of article X of the~~
8 ~~Constitution of North Dakota and subsection 1 of section 57-62-02; and~~
- 9 b. ~~One hundred fifty million dollars from the strategic investment and improvements~~
10 ~~fund, established pursuant to section 15-08.1-08, for the period ending June 30,~~
11 ~~2015~~Up to sixty million dollars from the coal development trust fund is available
12 to the board of university and school lands for loans under this section.
- 13 2. ~~In order to~~To be eligible for a loan under this section, the school district must
14 demonstrate a need based on an unanticipated construction project, an unanticipated
15 replacement project, or an emergency repair, and the board of a school district shall:
- 16 a. ~~Propose a construction project with a cost of at least one million dollars and an~~
17 ~~expected utilization of at least thirty years;~~
- 18 b. Obtain the approval of the superintendent of public instruction for the construction
19 project under section 15.1-36-01; and
- 20 e.b. Submit to the superintendent of public instruction an application containing all
21 information deemed necessary by the superintendent, including potential
22 alternative sources or methods of financing the construction project.
- 23 3. ~~If an eligible school district's taxable valuation per student is less than eighty percent~~
24 ~~of the state average taxable valuation per student, the district is entitled to receive:~~
- 25 a. ~~A school construction loan equal to the lesser of twenty million dollars or ninety-~~
26 ~~percent of the actual project cost;~~
- 27 b. ~~An interest rate discount equal to at least one hundred but not more than four-~~
28 ~~hundred basis points below the prevailing tax-free bond rates; and~~
- 29 c. ~~A term of repayment that may extend up to twenty years.~~

- 1 4. ~~If an eligible school district's taxable valuation per student is equal to at least eighty-~~
2 ~~percent but less than ninety percent of the state average taxable valuation per~~
3 ~~student, the district is entitled to receive:~~
- 4 a. ~~A school construction loan equal to the lesser of fifteen million dollars or eighty-~~
5 ~~percent of the actual project cost;~~
- 6 b. ~~An interest rate buydown equal to at least one hundred but not more than three-~~
7 ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~
- 8 c. ~~A term of repayment that may extend up to twenty years.~~
- 9 5. ~~If an eligible school district's taxable valuation per student is equal to at least ninety-~~
10 ~~percent of the state average taxable valuation per student, the district is entitled to~~
11 ~~receive:~~
- 12 a. ~~A school construction loan equal to the lesser of ten million dollars or seventy-~~
13 ~~percent of the actual project cost;~~
- 14 b. ~~An interest rate discount equal to at least one hundred but not more than three-~~
15 ~~hundred basis points below the prevailing tax-free bond rates; and~~
- 16 c. ~~A term of repayment that may extend up to twenty years.~~
- 17 6. ~~The board of a school district may submit its loan application to the superintendent of~~
18 ~~public instruction before or after receiving authorization of a bond issue in accordance~~
19 ~~with chapter 21-03. If the vote to authorize a bond issue precedes the application for a~~
20 ~~loan, the application must be acted upon by the superintendent expeditiously but no-~~
21 ~~later than one hundred eighty days from the date it is received by the superintendent.~~
- 22 7. ~~The superintendent of public instruction shall consider each loan application in the~~
23 ~~order it received approval under section 15.1-36-01.~~
- 24 8.4. ~~If the superintendent of public instruction approves the loan, the superintendent may~~
25 ~~determine the loan amount, the term of the loan, and the interest rate, in accordance~~
26 ~~with the requirements of this section. A school district's interest rate may not be less~~
27 ~~than one percent, regardless of any rate discount for which the district might otherwise~~
28 ~~qualify under this section.~~the board of university and school lands shall issue a loan
29 from the coal development trust fund. For a loan made under this section:
- 30 a. The maximum loan amount for which a school district may qualify is two million
31 dollars;

1 **b.** The term of the loan is twenty years, unless the board of the school district
2 requests a shorter term in the written loan application; and

3 **c.** The interest rate of the loan may not exceed two percent per year.

4 **9-5.** a. If a school district seeking a loan under this section received an allocation of the
5 oil and gas gross production tax during the previous fiscal year in accordance
6 with chapter 57-51, the board of the district shall provide to the board of
7 university and school lands, and to the state treasurer, its evidence of
8 indebtedness indicating that the loan originated under this section.

9 b. If the evidence of indebtedness is payable solely from the school district's
10 allocation of the oil and gas gross production tax in accordance with section
11 57-51-15, the loan does not constitute a general obligation of the school district
12 and may not be considered a debt of the district.

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

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

23 **10-6.** For purposes of this section, a "construction project" means the purchase, lease,
24 erection, or improvement of any structure or facility by a school board, provided the
25 acquisition or activity is within a school board's authority.

26 **SECTION 3. AMENDMENT.** Section 15.1-36-06 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **15.1-36-06. School construction loans - Bank of North Dakota.**

29 1. In addition to any construction loans made available under section 15.1-36-02, the
30 Bank of North Dakota may provide up to two hundred fifty million dollars to eligible
31 school districts for school construction loans, ~~except that the total of all loans provided~~

1 under this section during the first year of the 2015-17 biennium may not exceed fifty-
2 percent of the total amount authorized under this subsection until June 30, 2017. After
3 June 30, 2017, no new loans may be provided under this section.

4 2. To be eligible for a loan under this section, the board of a school district shall:

5 a. Propose a new construction or remodeling project with a cost of at least
6 one million dollars and an expected utilization of at least thirty years;

7 b. Obtain the approval of the superintendent of public instruction for the project
8 under section 15.1-36-01;

9 c. (1) Request from the tax commissioner a statement of the estimated tax
10 increase, in mills and dollars, which would be applicable to a residential
11 parcel of average true and full value within the county in which the school
12 district is headquartered, if a loan under this section and any associated
13 school construction bond issue were to be authorized in accordance with
14 chapter 21-03;

15 (2) Request from the tax commissioner a statement of the estimated tax
16 increase, in mills and dollars, which would be applicable to an acre of
17 cropland and to an acre of noncropland, of average true and full value within
18 the county in which the school district is headquartered, if a loan under this
19 section and any associated school construction bond issue were to be
20 authorized in accordance with chapter 21-03;

21 (3) Publish in the official newspaper of the district the information from the
22 statements required by this subdivision with the notice of the election to
23 authorize the school construction bond issuance in accordance with section
24 21-03-12; and

25 (4) Post on the school district's website the information from the statements
26 preceding the date of the election to authorize the school construction bond
27 issuance in accordance with chapter 21-03;

28 d. Receive authorization for a bond issue in accordance with chapter 21-03; and

29 e. Submit a completed application to the Bank of North Dakota.

30 3. With the advice and consent of the superintendent of public instruction, the Bank of
31 North Dakota shall award the loans in accordance with a prioritization system that is

1 based on a review of all applications filed during the twelve-month period preceding
2 April first and gives consideration to:

- 3 a. Student occupancy and academic needs in the district;
4 b. The age of existing structures to be replaced or remodeled;
5 c. Building design proposals that are based on safety and vulnerability
6 assessments;
7 d. Community support;
8 e. Cost; and
9 f. Any other criteria established in rule by the superintendent of public instruction,
10 after consultation with an interim committee appointed by the legislative
11 management.

12 4. The term of a loan under this section is twenty years, unless a shorter term is
13 requested by the board of a school district in its application.

14 5. The interest rate on a loan under this section may not exceed two percent, until July 1,
15 2025. Thereafter, the interest rate on the remainder of a loan under this section:

- 16 a. May not exceed the Bank of North Dakota's base rate; or
17 b. May be a fixed rate.

18 6. If a school district's unobligated general fund balance on the preceding June thirtieth
19 exceeds the limitation set forth under section 15.1-27-35.3, the loan amount to which
20 that district is entitled under this section may not exceed eighty percent of the project's
21 cost.

22 7. The maximum loan amount to which a school district is entitled under this section is
23 twenty million dollars.

24 **SECTION 4. AMENDMENT.** Section 15.1-36-08 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15.1-36-08. School construction assistance revolving loan fund - Bank of North**
27 **Dakota - School construction projects - Continuing appropriation.**

28 1. The school construction assistance revolving loan fund is a special revolving loan fund
29 ~~in the state treasury~~administered by the Bank of North Dakota. The fund consists of:

- 30 a. ~~All~~ all moneys appropriated or transferred to the fund by the legislative assembly;

- 1 b. ~~One hundred fifty million dollars from the strategic investment and improvements~~
2 ~~fund, which had been allocated by the sixty-third legislative assembly for school~~
3 ~~construction loans in accordance with section 15.1-36-02; and~~
- 4 e. ~~All, all~~ interest or other earnings of the fund, and all repayments of loans made
5 from the fund.
- 6 2. ~~Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of~~
7 ~~principal and interest~~ are appropriated to the Bank of North Dakota on a continuing
8 basis for the purpose of providing low-interest school construction loans and for paying
9 administrative costs, in accordance with this ~~chapter~~section.
- 10 3. To be eligible for a loan under this section, the board of a school district shall:
- 11 a. Propose a new construction or remodeling project with a cost of at least
12 one million dollars and an expected utilization of at least thirty years;
- 13 b. Obtain the approval of the superintendent of public instruction for the project
14 under section 15.1-36-01;
- 15 c. (1) ~~Request from the tax commissioner a statement of the estimated tax~~
16 ~~increase, in mills and dollars, which would be applicable to a residential~~
17 ~~parcel of average true and full value within the county in which the school~~
18 ~~district is headquartered, if a loan under this section and any associated~~
19 ~~school construction bond issue were to be authorized in accordance with~~
20 ~~chapter 21-03;~~
- 21 ~~(2) Request from the tax commissioner a statement of the estimated tax~~
22 ~~increase, in mills and dollars, which would be applicable to an acre of~~
23 ~~cropland and to an acre of noncropland, of average true and full value within~~
24 ~~the county in which the school district is headquartered, if a loan under this~~
25 ~~section and any associated school construction bond issue were to be~~
26 ~~authorized in accordance with chapter 21-03;~~
- 27 ~~(3) Publish in the official newspaper of the district the information from the~~
28 ~~statements required by this subdivision regarding the proposed estimated~~
29 ~~additional millage and the dollar increase per one thousand dollars of~~
30 ~~taxable valuation in accordance with section 21-03-13 along with the notice~~

- 1 of the election to authorize the school construction bond issuance in
2 accordance with section 21-03-12; and
3 (4)(2) Post ~~the information~~ on the school district's website ~~the information from the-~~
4 statements preceding the date of the election to authorize the school
5 construction bond issuance in accordance with chapter 21-03;
6 d. Receive authorization for a bond issue in accordance with chapter 21-03; and
7 e. Submit a completed application to the Bank of North Dakota.
8 4. The superintendent of public instruction shall review loan applications based on a
9 prioritization system that includes a review of all applications filed during the
10 twelve-month period preceding April first and gives consideration to:
11 a. Student occupancy and academic needs in the district;
12 b. The age of existing structures to be replaced or remodeled;
13 c. Building design proposals that are based on safety and vulnerability
14 assessments;
15 d. Community support;
16 e. Cost; and
17 f. Any other criteria established by the superintendent of public instruction, after
18 consultation with an interim committee appointed by the legislative management.
19 5. If the superintendent of public instruction approves the loan, the Bank of North Dakota
20 shall issue a loan from the school construction assistance revolving loan fund. For a
21 loan made under this section:
22 a. The maximum loan amount for which a school district may qualify is ten million
23 dollars. However, if a school district's unobligated general fund balance on the
24 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
25 loan amount under this section may not exceed eighty percent of the project's
26 cost;
27 b. The term of the loan is twenty years, unless the board of the school district
28 requests a shorter term in the written loan application; and
29 c. The interest rate of the loan may not exceed two percent per year.
30 6. The Bank may adopt policies and establish guidelines to administer this loan program
31 in accordance with this section. The Bank of North Dakota may use a portion of the

1 interest paid on the outstanding loans as a servicing fee to pay for administration costs
2 which may not exceed one-half of one percent of the amount of the interest payment.
3 The Bank of North Dakota shall deposit principal and interest payments made by
4 school districts for loans under this section in the school construction assistance
5 revolving loan fund. The Bank of North Dakota shall arrange for the conduct of an
6 annual audit of the school construction assistance revolving loan fund, the cost of
7 which must be paid from the fund and which must be conducted by an independent
8 accounting firm.

9 **SECTION 5. AMENDMENT.** Subsection 7 of section 21-03-07 of the North Dakota Century
10 Code is amended and reenacted as follows:

11 7. The governing body of any public school district may also by resolution adopted by a
12 two-thirds vote dedicate the tax levies as authorized by section 15.1-09-47,
13 15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be
14 paid by these dedicated levies for the purpose of providing funds for the purchase,
15 construction, reconstruction, or repair of public school buildings or for the construction
16 or improvement of a project under section 15.1-36-02 or ~~15.1-36-03~~15.1-36-08. The
17 initial resolution authorizing the tax levy dedication and general obligation bonds must
18 be published in the official newspaper of the school district, and any owner of taxable
19 property within the school district may, within sixty days after publication, file with the
20 business manager of the school district a protest against the adoption of the
21 resolution. Protests must be in writing and must describe the property that is the
22 subject of the protest. If the governing body finds the protests to have been signed by
23 the owners of taxable property having an assessed valuation equal to five percent or
24 more of the assessed valuation of all taxable property within the school district, as
25 theretofore last finally equalized, all further proceedings under the initial resolution are
26 barred.

27 **SECTION 6. AMENDMENT.** Section 54-44.1-12 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **54-44.1-12. Control over rate of expenditures.**

30 1. The director of the budget shall exercise continual control over the execution of the
31 budget affecting the departments and agencies of state government, with the

1 exception of the legislative and judicial branches. Execution means the analysis and
2 approval of all commitments for conformity with the program provided in the budget,
3 frequent comparison of actual revenues and budget estimates, and on the basis of
4 these analyses and comparisons control the rate of expenditures through a system of
5 allotments. The allotment must be made by specific fund and all departments and
6 agencies that receive moneys from that fund must be allotted on a uniform percentage
7 basis, except that general fund appropriations to the department of public instruction
8 for state school aid, transportation aid, and special education aid and general fund
9 appropriations to the department of career and technical education for grants to school
10 districts may ~~only~~ be allotted only to the extent that the allotment can be offset by
11 transfers from the foundation aid stabilization fund as follows:

- 12 a. The first two and one-half percent allotment from the general fund must be offset
13 with a transfer from the foundation aid stabilization fund.
14 b. Any general fund allotment in excess of two and one-half percent that is
15 necessary, after all moneys available in the budget stabilization fund have been
16 transferred to the general fund under section 54-27.2-03, may be offset with a
17 transfer from the foundation aid stabilization fund.

- 18 2. Before an allotment is made which will reduce the amount of funds which can be
19 disbursed pursuant to an appropriation or before an allotment disallowing a specific
20 expenditure is made, the director shall find one or more of the following circumstances
21 to exist:

- 22 a. The moneys and estimated revenues in a specific fund from which the
23 appropriation is made are insufficient to meet all legislative appropriations from
24 the fund.
25 b. The payment or the obligation incurred is not authorized by law.
26 c. The expenditure or obligation is contrary to legislative intent as recorded in any
27 reliable legislative records, including:

- 28 (1) Statements of legislative intent expressed in enacted appropriation
29 measures or other measures enacted by the legislative assembly; and

1 (2) Statements of purpose of amendment explaining amendments to enacted
2 appropriation measures, as recorded in the journals of the legislative
3 assembly.

4 d. Circumstances or availability of facts not previously known or foreseen by the
5 legislative assembly which make possible the accomplishment of the purpose of
6 the appropriation at a lesser amount than that appropriated.

7 **SECTION 7.** A new section to chapter 54-27 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Definitions for the foundation aid stabilization fund - Uses of the foundation aid**
10 **stabilization fund.**

11 1. For the purposes of section 24 of article X of the Constitution of North Dakota:

12 a. "Education-related purposes" means purposes related to public elementary and
13 secondary education.

14 b. "State aid to school districts" means:

15 (1) The general fund appropriations to the department of public instruction for
16 state school aid, transportation aid, and special education aid; and

17 (2) The general fund appropriations to the department of career and technical
18 education for grants to school districts and area centers.

19 2. Any accessible funds in the foundation aid stabilization fund, exceeding the required
20 reserves under section 24 of article X of the Constitution of North Dakota, may be
21 used only for education-related purposes, including state aid to school districts, career
22 and technical education grants to school districts and area centers, and education-
23 related property tax relief.

24 **SECTION 8. AMENDMENT.** Subsection 1 of section 57-62-02 of the North Dakota Century
25 Code is amended and reenacted as follows:

26 1. Thirty percent must be deposited in a permanent trust fund in the state treasury, to be
27 known as the coal development trust fund, pursuant to section 21 of article X of the
28 Constitution of North Dakota. Those funds held in trust and administered by the board
29 of university and school lands on March 5, 1981, pursuant to section 12, chapter 563,
30 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,
31 chapter 626, 1979 Session Laws must also be deposited in the trust fund created

1 pursuant to this subsection. The fund must be held in trust and administered by the
2 board of university and school lands for loans to coal-impacted counties, cities, and
3 school districts as provided in section 57-62-03 and for loans to school districts
4 pursuant to chapter 15.1-36. The board of university and school lands may invest such
5 funds as are not loaned out as provided in this chapter and may consult with the state
6 investment board as provided by law. The income, including interest payments on
7 loans, from the trust must be used first to replace uncollectible loans made from the
8 fund and the balance must be deposited in the ~~school construction assistance-~~
9 ~~loan~~general fund. Loan principal payments must be redeposited in the trust fund. The
10 trust fund must be perpetual and held in trust as a replacement for depleted natural
11 resources subject to the provisions of this chapter and chapter 15.1-36.

12 **SECTION 9. REPEAL.** Sections 9 and 10 of chapter 153 of the 2015 Session Laws and
13 sections 15-10-60, 15.1-27-46, 15.1-36-02.1, 15.1-36-03, and 15.1-36-07 of the North Dakota
14 Century Code are repealed.

15 **SECTION 10. REPEAL.** Section 15.1-36-06 of the North Dakota Century Code is repealed.

16 **SECTION 11. CONTINGENT TRANSFERS - SCHOOL CONSTRUCTION ASSISTANCE**
17 **LOAN FUND TO FOUNDATION AID STABILIZATION FUND - SCHOLARSHIP ENDOWMENT**
18 **FUND TO FOUNDATION AID STABILIZATION FUND.** If the office of management and budget
19 transfers any amounts from the foundation aid stabilization fund to the school construction loan
20 assistance fund or the scholarship endowment fund between December 1, 2016, and the
21 effective date of this Act related to sections 9 and 10 of chapter 153 of the 2015 Session Laws,
22 the office of management and budget shall transfer the amounts back to the foundation aid
23 stabilization fund during the period beginning with the effective date of this Act, and ending
24 June 30, 2017.

25 **SECTION 12. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND**
26 **IMPROVEMENTS FUND TO SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN**
27 **FUND.** If the board of university and school lands has not transferred the \$150,000,000
28 referenced in subdivision b of subsection 1 of section 15.1-36-08 as in effect on January 1,
29 2017, from the strategic investment and improvements fund to the school construction
30 assistance revolving loan fund, the board of university and school lands shall transfer
31 \$150,000,000, including any outstanding loans issued pursuant to subdivision b of subsection 1

1 of section 15.1-36-02 as in effect on January 1, 2017, to the school construction assistance
2 revolving loan fund during the period beginning with the effective date of this Act, and ending
3 June 30, 2017.

4 **SECTION 13. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

5 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and
6 budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the
7 school construction assistance revolving loan fund during the period beginning with the effective
8 date of this Act, and ending June 30, 2019. Of the \$75,000,000 transferred to the school
9 construction assistance revolving loan fund, up to \$50,000,000 must be used to repay the Bank
10 of North Dakota for the outstanding principal balance on a portion of the loans issued under
11 section 15.1-36-06 for the purpose of transferring a portion of the loans issued under section
12 15.1-36-06 from the Bank of North Dakota to the school construction assistance revolving loan
13 fund. The remaining amount transferred to the school construction assistance revolving loan
14 fund is available for new school construction loans.

15 **SECTION 14. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL**

16 **EDUCATION - FOUNDATION AID STABILIZATION FUND.** There is appropriated out of any
17 moneys in the foundation aid stabilization fund in the state treasury, not otherwise appropriated,
18 the sum of \$2,477,000, or so much of the sum as may be necessary, to the department of
19 career and technical education for the purpose of providing grants to school districts and area
20 centers, for the biennium beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 15. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**

22 **FOUNDATION AID STABILIZATION FUND - ONE-TIME FUNDING.** There is appropriated out
23 of any moneys in the foundation aid stabilization fund in the state treasury, not otherwise
24 appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the
25 department of public instruction for the purpose of providing rapid enrollment grants to school
26 districts, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding
27 provided in this section is considered a one-time funding item. The superintendent of public
28 instruction shall award rapid enrollment grants to eligible districts based on the following criteria:

- 29 1. A district is eligible to receive a grant under this section if the number of students
30 reflected in the district's September tenth enrollment report exceeds the number of
31 students in the prior year September tenth enrollment report as follows:

- 1 a. For Tier 1 funding, the increase must be at least four percent or one hundred fifty
2 students and must be at least twenty students; or
- 3 b. For Tier 2 funding, the increase must be at least two percent or seventy-five
4 students and must be at least ten students.
- 5 2. The superintendent of public instruction shall calculate the amount to which an eligible
6 district is entitled as follows:
 - 7 a. Determine the actual percentage increase in the number of students and subtract
8 two from the percentage calculated;
 - 9 b. Determine the number of students represented by the difference determined in
10 subdivision a of this subsection;
 - 11 c. Multiply the number of students determined in subdivision b of this subsection by:
12 (1) \$4,000 for Tier 1 funding; or
13 (2) \$2,000 for Tier 2 funding.
- 14 3. If the amount of the appropriation provided for in this section is insufficient to meet the
15 obligations of this subsection, the superintendent of public instruction shall prorate the
16 payment based on the percentage of the total amount to which each school district is
17 entitled.
- 18 4. The superintendent of public instruction may not expend more than fifty percent of the
19 funds available under this section during the first year of the biennium.
- 20 5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
21 eligible to receive a grant under this section.

22 **SECTION 16. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**

23 **FOUNDATION AID STABILIZATION FUND - ONE-TIME FUNDING.** There is appropriated out
24 of any moneys in the foundation aid stabilization fund in the state treasury, not otherwise
25 appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the
26 department of public instruction for the purpose of providing English language learner grants to
27 school districts, for the biennium beginning July 1, 2017, and ending June 30, 2019. The
28 funding provided in this section is considered a one-time funding item. The superintendent of
29 public instruction shall award grants to the four school districts that serve the largest number of
30 first-and, second, and third level English language learners in kindergarten through grade
31 twelve based on the following criteria:

1 1. The WIDA test.

2 2. To determine the amount that a school district may receive under this subsection, the
3 superintendent of public instruction shall provide a pro rata share of the available grant
4 dollars to each eligible district based upon the total number of first-~~and~~, second, and
5 third level English language learners enrolled in the four districts.

6 ~~2.3.~~ A district may expend moneys received under this section only for the purpose of
7 enhancing services to first-~~and~~, second, and third level English language learners.
8 Permissible purposes include the hiring of additional teachers, interpreters, and social
9 workers for first and second level English language learners and the provision of other
10 ancillary support services and programs, approved by the superintendent of public
11 instruction.

12 ~~3.4.~~ The superintendent of public instruction may not award more than fifty percent of the
13 funds available under this section during the first year of the biennium.

14 **SECTION 17. EFFECTIVE DATE.** Section 10 of this Act becomes effective July 1, 2023.

15 **SECTION 18. EMERGENCY.** Sections 4, 5, 8, 9, 11, and 12 of this Act are declared to be
16 an emergency measure.