21.0866.03007

Sixty-seventh Legislative Assembly of North Dakota

SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1388

Introduced by

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Representative Owens

Senator Schaible

A BILL for an Act to create and enact a new subsection to section 15.1-06-04, a new section to
chapter 15.1-07, a new section to chapter 15.1-13, and a new section to chapter 15.1-21 of the
North Dakota Century Code, relating to virtual learning, school calendar length, reading
competency requirements, and teacher professional development and licensure; to amend and
reenact sections 15.1-01-04, subsection 4 of section 15.1-06-04, subdivision e of
subsection 1 of section 15.1-06-06, section 15.1-06-13, subsection 2 of section 15.1-09.1-02.1,
and sections 15.1-20-01, 15.1-27-03.2, and 15.1-27-04.1, 15.1-27-35, and 15.1-31-07 of the
North Dakota Century Code, relating to membership of the kindergarten through grade twelve
education coordination council, adjustments to school district size weighting factors, and the
education foundation aid funding formula transition maximum and payment rates, student
attendance and enrollment, school approval, school compliance, regional education association
services, average daily membership, and school calendars; to provide for a legislative
management study; to provide for a legislative management report; and to provide an
appropriation: provide an effective date

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Section 15.1-01-04 of the North Dakota Century Code is amended and reenacted as follows:
- 18 15.1-01-04. Kindergarten through grade twelve education coordination council.
 - 1. The state board of public school education shall oversee the creation and ongoing operation of the kindergarten through grade twelve education coordination council.
 - 2. The council consists of:
 - a. Three members of the legislative assembly, one member of the majority party from each chamber of the legislative assembly, selected by the respective

1			majo	ority leader of the chamber, and one member of the minority party selected
2			thro	ugh collaboration between the respective minority leaders of each chamber;
3	I	b.	The	governor or the governor's designee;
4		C.	The	superintendent of public instruction or the superintendent's designee;
5	(d.	The	president of the state board for career and technical education or the
6			pres	sident's designee;
7	(e.	The	president of the board of the North Dakota council of educational leaders or
8			the	president's designee;
9		f.	The	president of the board of North Dakota united or the president's designee;
10	9	g.	The	president of the board of the North Dakota school boards association or the
11			pres	sident's designee;
12	I	h.	The	president of the board of the North Dakota small organized schools or the
13			pres	sident's designee;
14		i.	The	president of the board of the North Dakota school counselor association or
15			the	president's designee; and
16		j.	<u>The</u>	president of the North Dakota special education study council or the
17			pres	sident's designee;
18	<u> </u>	<u>k.</u>	<u>The</u>	president of the North Dakota regional education association or the
19			pres	sident's designee; and
20		<u>l.</u>	The	following gubernatorial appointees:
21			(1)	An individual representing the statewide longitudinal data system
22				committee;
23			(2)	An individual representing a tribal school; and
24	1		(3)	An individual employed as a public school administrator;
25			(4)	An individual employed as a public school principal; and
26		(5)	<u>(4)</u>	An individual employed as a public school teacher;
27			(6)	A director of a special education unit; and
28			(7)	A director of a regional education association.
29	3.	The	term	of office for a member appointed by the governor is four years. The governor
30	1	may	stag	ger the initial appointments to the council so no more than three members'
31	t	term	s exp	oire in any year.

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- 1 4. The council shall select a presiding officer annually from among its members.
 - 5. A member of the council who is a member of the legislative assembly is entitled to receive per diem compensation at the rate provided under section 54-35-10 for each day performing official duties of the council and to reimbursement for travel and expenses as provided by law, to be paid by the legislative council. A member of the council who is not a state employee is entitled to receive as compensation sixty-two dollars and fifty cents per day and to reimbursement of expenses as provided by law for state officers while attending meetings of the council, to be paid by the state board of public school education. A state employee who is a member of the council is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses, to be paid by the employing agency.
 - 6. The council may hire an executive director.
 - 7. The council shall:
 - a. Assist in the implementation, dissemination, and communication of the statewide strategic vision and evaluate progress toward meeting the identified goals and strategies.
 - Perform a continuous review of the effectiveness and efficiency of access and delivery of education services and programs in the state.
 - Identify opportunities for increased collaboration among state education entities and stakeholders.
 - Identify gaps or duplications in education services and programs and provide recommendations for addressing those gaps or duplications.
 - e. Study and evaluate new and emerging educational initiatives and trends and provide recommendations for policy changes to state entities or the legislative assembly if necessary.
 - f. Support the implementation, dissemination, and communication of local or regional educational initiatives and practices, including innovative education programs, on a statewide level.
 - g. Establish a one-stop communication and Coordinate and communicate
 information hubavailable on state websites to provide the public and interested

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1			parties with seamless access to state entities that deliver education services and
2			programs.
3		h.	Develop and utilize subcommittees as needed.
4		i.	Seek advice and input from interested parties not appointed to the council as
5			needed.
6	8.	The	council shall meet at least four times per calendar year.
7	9.	The	council shall prepare and present an annual report of council activities to the state
8		boa	rd of public school education and to the legislative management.
9	SEC	CTIOI	N 2. AMENDMENT. Subsection 4 of section 15.1-06-04 of the North Dakota
10	Century	Code	e is amended and reenacted as follows:
11	4.	For	purposes of this section, a full day of instruction at a physical school plant consists
12		of:	
13		a.	At least five and one-half hours for kindergarten and elementary students, during
14			which time the students are required to be in attendance for the purpose of
15			receiving curricular instruction; and
16		b.	At least six hours for high school students, during which time the students are
17			required to be in attendance for the purpose of receiving curricular instruction.
18	SEC	OIT	3. A new subsection to section 15.1-06-04 of the North Dakota Century Code is
19	created	and e	enacted as follows:
20		If a	school district intends to provide virtual instruction, the instruction must comply
21		with	the requirements under subsection 4. The attendance of students participating in
22		<u>virtu</u>	ual instruction must be verified by monitoring the student's progress on academic
23		pac	ing guides developed by the school district to ensure students are in attendance
24		and	receiving sufficient curricular instruction, as defined in rules adopted by the
25		sup	erintendent of public instruction.
26	SEC	TIOI	A. AMENDMENT. Subdivision e of subsection 1 of section 15.1-06-06 of the
27	North D	akota	Century Code is amended and reenacted as follows:
28		e.	The physical school plant has been inspected by the state fire marshal or the
29			state fire marshal's designee in accordance with section 15.1-06-09 and:
30			(1) Has no unremedied deficiency; or

1	(2) Has deficiencies that have been addressed in a plan of correction which
2	was submitted to and approved by the state fire marshal or the state fire
3	marshal's designee;
4	SECTION 5. AMENDMENT. Section 15.1-06-13 of the North Dakota Century Code is
5	amended and reenacted as follows:
6	15.1-06-13. Schools - Compliance with health, safety, and sanitation requirements.
7	The superintendent of each school district shall ensure that the schoolsphysical school
8	plants in the district comply with all health, safety, and sanitation requirements.
9	SECTION 6. A new section to chapter 15.1-07 of the North Dakota Century Code is created
10	and enacted as follows:
11	School districts - Policy - Virtual learning - Report to legislative management.
12	The board of a school district or governing board of a nonpublic school that operates a
13	physical school plant may adopt a policy to allow students to engage in virtual instruction and in
14	the case of a school district, qualify for average daily membership in the district. The
15	superintendent of public instruction shall adopt rules governing policies under this section. A
16	policy adopted by a school district under this section must comply with the rules adopted by the
17	superintendent of public instruction. The superintendent of public instruction shall provide
18	biennial reports to the legislative management regarding the academic performance metrics of
19	students participating in virtual instruction under this section.
20	SECTION 7. AMENDMENT. Subsection 2 of section 15.1-09.1-02.1 of the North Dakota
21	Century Code is amended and reenacted as follows:
22	2. Subsection 1 does not preclude a regional education association from offering
23	additional services to its member districts.
24	SECTION 8. A new section to chapter 15.1-13 of the North Dakota Century Code is created
25	and enacted as follows:
26	Teaching license - Reading instruction competency.
27	1. The board shall ensure a candidate for teacher licensure demonstrates competencies
28	in beginning reading instruction based on scientifically and research-based best
29	practices. Competencies must include the acquisition of knowledge of the essential
30	components of beginning reading instruction, including:
31	a. Phonemic awareness;

1 Phonics; 2 Fluency; C. 3 d. Vocabulary; 4 Comprehension; e. 5 How to assess student reading ability; and 6 How to identify and correct reading difficulties. 7 A prekindergarten, kindergarten, elementary, and special education initial teacher 8 licensure candidate must complete at least nine semester hours of reading which 9 include a focus on the components under subsection 1. 10 A prekindergarten through grade twelve and a secondary education initial teacher 11 licensure candidate must complete at least three semester hours of reading in the 12 content area to be taught which includes a focus on vocabulary, comprehension, and 13 writing. 14 A teacher licensure candidate satisfies the requirements of this section if the candidate 15 demonstrates the candidate has received training in competencies related to reading 16 instruction from an accredited or approved program, or demonstrates mastery of the 17 topics provided under subsection 1. The board may issue a provisional license for up 18 to two years to a teacher licensure candidate who does not meet the requirements of 19 this section. 20 SECTION 9. AMENDMENT. Section 15.1-20-01 of the North Dakota Century Code is 21 amended and reenacted as follows: 22 15.1-20-01. Compulsory attendance. 23 Any person having responsibility for a child between the ages of seven and sixteen years shall ensure that the child is in attendance atattends a public school for the 24 25 duration of each school year. 26 If a person enrolls a child of age six in a public school, the person shall ensure that the 2. 27 child is in attendance atattends the public school for the duration of each school year. 28 The person may withdraw a child of age six from the public school. However, once the 29 child is withdrawn, the person may not re-enroll the child until the following school 30 year. This subsection does not apply if the reason for the withdrawal is the child's 31 relocation to another school district.

1	3.	This section does not apply if a child is exempted under the provisions of section							
2		15.1-20-02.							
3	4.	4. The attendance of students participating in virtual instruction must be verified by							
4		monitoring the student's progress on academic pacing guides developed by the school							
5		district to ensure students are in attendance and receiving sufficient curricular							
6		instruction, as defined in rules adopted by the superintendent of public instruction.							
7	SEC	CTION 10. A new section to chapter 15.1-21 of the North Dakota Century Code is							
8	created	and enacted as follows:							
9	Rea	ding curriculum - Content - Professional development - Reports to legislative							
10	<u>manage</u>	ement.							
11	1	Beginning July 1, 2022, each school district and nonpublic school shall ensure the							
12		portion of its curriculum which is related to reading:							
13		a. Is scientifically based, evidence based, and research based;							
14		b. Focuses on:							
15		(1) Phonemic awareness;							
16		(2) Phonics;							
17		(3) Fluency;							
18		(4) Vocabulary; and							
19		(5) Comprehension; and							
20		c. Uses systematic direct instruction for students in kindergarten through grade							
21		three to ensure all students obtain necessary early reading skills.							
22	2.	Before the 2022-23 school year, each teacher who teaches kindergarten through							
23		grade three at a school district or nonpublic school, and each principal of a public or							
24		nonpublic school with kindergarten through grade three, shall attend							
25		teacher-approved, professional development training that includes training in the							
26		topics provided under subsection 1.							
27	3.	Each teacher or principal hired by a school district or nonpublic school that provides							
28		instruction in kindergarten through grade three shall complete the training under							
29		subsection 2, or demonstrate mastery of the topics provided under subsection 1,							
30		within one year of the teacher's or principal's first year of placement in the grade level							
31		or at the school.							

1	<u>4.</u>	lo be	approved by the superintendent of public instruction, each public and nonpublic
2		schoo	ol shall certify to the superintendent of public instruction that the district or school
3		a. <u>E</u>	Ensures the placement of highly effective teachers in kindergarten through grad
4		<u>t</u>	<u>hree;</u>
5		b. F	Has integrated reading instruments used to diagnose reading development and
6		<u>C</u>	comprehension; and
7		<u>с.</u> Н	Has integrated evidence-based resources to support reading development and
8		<u>C</u>	comprehension.
9	<u>5.</u>	The s	uperintendent of public instruction shall provide ongoing assistance to school
10		distric	ets and nonpublic schools to be in and maintain compliance with this section.
11	6.	The s	uperintendent of public instruction, in collaboration with the kindergarten throug
12		grade	twelve education coordination council, shall adopt rules to implement this
13		sectio	on, including rules to monitor implementation and compliance with this section.
14	7.	The s	uperintendent of public instruction shall provide periodic reports to the legislative
15		mana	gement on the implementation and effectiveness of this section in improving
16		<u>educa</u>	ational outcomes and reading competency of students.
17	SE	CTION '	11. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is
18	amende	ad and r	and the standard of the standa
. •		eu anu i	reenacted as follows:
19	15.		eenacted as follows: 2. School district size weighting factor - Weighted student units.
	15. 1.	1-27-03	
19		1-27-03 . For ea	.2. School district size weighting factor - Weighted student units.
19 20		1-27-03 . For ea assigr	.2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shal
19 20 21		1-27-03 . For ea assign a. 1	.2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shale a baseline school district size weighting factor of:
19 20 21 22		1-27-03. For earling assign a. 1 b. 1	.2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shale a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110;
19 20 21 22 23		1-27-03. For early assign a. 1 b. 1	2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shale a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110; 1.35 if the students in average daily membership number at least 110 but fewer
19 20 21 22 23 24		1-27-03. For earling assign a. 1 b. 1 t c. 1	2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shall a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110; 1.35 if the students in average daily membership number at least 110 but fewer than 125;
19 20 21 22 23 24 25		1-27-03. For earling assign a. 1 b. 1 t c. 1	2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shall a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110; 1.35 if the students in average daily membership number at least 110 but fewer than 125; 1.34 if the students in average daily membership number at least 125 but fewer
19 20 21 22 23 24 25 26		1-27-03. For earling assign a. 1 b. 1 t. c. 1 d. 1	2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shall a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110; 1.35 if the students in average daily membership number at least 110 but fewer than 125; 1.34 if the students in average daily membership number at least 125 but fewer than 130;
19 20 21 22 23 24 25 26 27		1-27-03. For earling assign a. 1 b. 1 t. c. 1 d. t.	2. School district size weighting factor - Weighted student units. ach high school district in the state, the superintendent of public instruction shall a baseline school district size weighting factor of: 1.36 if the students in average daily membership number fewer than 110; 1.35 if the students in average daily membership number at least 110 but fewer than 125; 1.34 if the students in average daily membership number at least 125 but fewer than 130; 1.33 if the students in average daily membership number at least 130 but fewer

1 1.31 if the students in average daily membership number at least 140 but fewer 2 than 145; 3 g. 1.30 if the students in average daily membership number at least 145 but fewer 4 than 150; 5 1.29 if the students in average daily membership number at least 150 but fewer h. 6 than 155; 7 1.28 if the students in average daily membership number at least 155 but fewer 8 than 160; 9 1.27 if the students in average daily membership number at least 160 but fewer 10 than 165; 11 1.26 if the students in average daily membership number at least 165 but fewer k. 12 than 175; 13 1.25 if the students in average daily membership number at least 175 but fewer 14 than 185; 15 1.24 if the students in average daily membership number at least 185 but fewer m. 16 than 200; 17 1.23 if the students in average daily membership number at least 200 but fewer n. 18 than 215; 19 1.22 if the students in average daily membership number at least 215 but fewer Ο. 20 than 230; 21 1.21 if the students in average daily membership number at least 230 but fewer p. 22 than 245; 23 1.20 if the students in average daily membership number at least 245 but fewer q. 24 than 260; 25 1.19 if the students in average daily membership number at least 260 but fewer 26 than 270; 27 1.18 if the students in average daily membership number at least 270 but fewer 28 than 275; 29 1.17 if the students in average daily membership number at least 275 but fewer 30 than 280;

1 1.16 if the students in average daily membership number at least 280 but fewer 2 than 285; 3 V. 1.15 if the students in average daily membership number at least 285 but fewer 4 than 290; 5 1.14 if the students in average daily membership number at least 290 but fewer W. 6 than 295; 7 1.13 if the students in average daily membership number at least 295 but fewer Χ. 8 than 300; 9 1.12 if the students in average daily membership number at least 300 but fewer 10 than 305; 11 1.11 if the students in average daily membership number at least 305 but fewer Z. 12 than 310; 13 1.10 if the students in average daily membership number at least 310 but fewer aa. 14 than 320; 15 bb. 1.09 if the students in average daily membership number at least 320 but fewer 16 than 335; 17 CC. 1.08 if the students in average daily membership number at least 335 but fewer 18 than 350; 19 1.07 if the students in average daily membership number at least 350 but fewer dd. 20 than 360; 21 ee. 1.06 if the students in average daily membership number at least 360 but fewer 22 than 370; 23 1.05 if the students in average daily membership number at least 370 but fewer ff. 24 than 380; 25 1.04 if the students in average daily membership number at least 380 but fewer gg. 26 than 390; 27 hh. 1.03 if the students in average daily membership number at least 390 but fewer 28 than 400; 29 1.02 if the students in average daily membership number at least 400 but fewer ii. 30 than 600;

1 1.01 if the students in average daily membership number at least 600 but fewer 2 than 900; and 3 kk. 1.00 if the students in average daily membership number at least 900. 4 For each elementary district in the state Beginning with the 2021-22 school year and 2. 5 each school year thereafter until the 2027-28 school year, the superintendent of public 6 instruction shall assign a school district size weighting factor determined by increasing 7 the baseline weighting factor under subsection 1 each year by fourteen and 8 twenty-nine hundredths percent of the difference between the weighting factor under 9 this subsection and the baseline weighting factor under subsection 1 for the same 10 school district size. For the 2027-28 school year and each school year thereafter, the 11 superintendent of public instruction shall assign a school district size weighting factor 12 of: 13 4.251.72 if the students in average daily membership number fewer than 425110; a. 14 1.171.68 if the students in average daily membership number at least 125110 but b. 15 fewer than 200125; and 16 1.001.64 if the students in average daily membership number at least 200125 but C. 17 fewer than 130; 18 <u>d.</u> 1.60 if the students in average daily membership number at least 130 but fewer 19 than 135; 20 1.56 if the students in average daily membership number at least 135 but fewer <u>e.</u> 21 than 140; 22 1.52 if the students in average daily membership number at least 140 but fewer f. 23 than 145; 24 1.49 if the students in average daily membership number at least 145 but fewer <u>g.</u> 25 than 150; 26 1.45 if the students in average daily membership number at least 150 but fewer <u>h.</u> 27 than 155; 28 1.42 if the students in average daily membership number at least 155 but fewer 29 than 160; 30 1.39 if the students in average daily membership number at least 160 but fewer 31 than 165;

1	<u>k.</u>	1.36 if the students in average daily membership number at least 165 but fewer
2		than 175;
3	<u>l.</u>	1.33 if the students in average daily membership number at least 175 but fewer
4		than 185;
5	<u>m.</u>	1.30 if the students in average daily membership number at least 185 but fewer
6		than 200;
7	<u>n.</u>	1.27 if the students in average daily membership number at least 200 but fewer
8		<u>than 215;</u>
9	<u>O.</u>	1.25 if the students in average daily membership number at least 215 but fewer
10		<u>than 230;</u>
11	<u>p.</u>	1.22 if the students in average daily membership number at least 230 but fewer
12		<u>than 245;</u>
13	<u>q.</u>	1.20 if the students in average daily membership number at least 245 but fewer
14		<u>than 260;</u>
15	<u>r.</u>	1.19 if the students in average daily membership number at least 260 but fewer
16		<u>than 270;</u>
17	<u>S.</u>	1.18 if the students in average daily membership number at least 270 but fewer
18		<u>than 275;</u>
19	<u>t.</u>	1.17 if the students in average daily membership number at least 275 but fewer
20		<u>than 280;</u>
21	<u>u.</u>	1.16 if the students in average daily membership number at least 280 but fewer
22		<u>than 285;</u>
23	<u>V.</u>	1.15 if the students in average daily membership number at least 285 but fewer
24		<u>than 290;</u>
25	<u>W.</u>	1.14 if the students in average daily membership number at least 290 but fewer
26		than 295;
27	<u>X.</u>	1.13 if the students in average daily membership number at least 295 but fewer
28		<u>than 300;</u>
29	<u>y.</u>	1.12 if the students in average daily membership number at least 300 but fewer
30		<u>than 305;</u>

1	<u>Z.</u>	1.11 if the students in average daily membership number at least 305 but fewer			
2		<u>than 310;</u>			
3	<u>aa.</u>	1.10 if the students in average daily membership number at least 310 but fewer			
4		<u>than 320;</u>			
5	bb.	1.09 if the students in average daily membership number at least 320 but fewer			
6		<u>than 335;</u>			
7	CC.	1.08 if the students in average daily membership number at least 335 but fewer			
8		<u>than 350;</u>			
9	dd.	1.07 if the students in average daily membership number at least 350 but fewer			
10		<u>than 360;</u>			
11	<u>ee.</u>	1.06 if the students in average daily membership number at least 360 but fewer			
12		<u>than 370;</u>			
13	<u>ff.</u>	1.05 if the students in average daily membership number at least 370 but fewer			
14		<u>than 380;</u>			
15	gg.	1.04 if the students in average daily membership number at least 380 but fewer			
16		<u>than 390;</u>			
17	<u>hh.</u>	1.03 if the students in average daily membership number at least 390 but fewer			
18		than 400;			
19	<u>ii.</u>	1.02 if the students in average daily membership number at least 400 but fewer			
20		<u>than 600;</u>			
21	<u>jj.</u>	1.01 if the students in average daily membership number at least 600 but fewer			
22		than 900; and			
23	<u>kk.</u>	1.00 if the students in average daily membership number at least 900.			
24	3. <u>The</u>	superintendent of public instruction shall impute an average daily membership for			
25	eac	h school district that does not include a high school and use the imputed average			
26	dail	y membership to determine the school district size weighting factor under this			
27	sec	tion. To determine the imputed average daily membership, the superintendent of			
28	pub	lic instruction shall divide the school district's average daily membership by 0.60.			
29	<u>The</u>	superintendent of public instruction shall adjust the school district size weighting			
30	factor for each school district that does not include a high school by multiplying the				

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1		<u>sch</u>	ool di	strict size weighting factor determined under subsection 2 by ninety-two-	
2		per	cent.		
3	<u>4.</u>	The	scho	ool district size weighting factor determined under this section and multiplied	
4		by a	a scho	ool district's weighted average daily membership equals the district's weighted	
5		stud	dent u	units.	
6	4 <u>.5.</u>	Not	withst	tanding the provisions of this section, the school district size weighting factor	
7		ass	igned	to a district may not be less than the factor arrived at when the highest	
8		nun	nber d	of students possible in average daily membership is multiplied by the school	
9		dist	rict si	ze weighting factor for the subdivision immediately preceding the district's	
10		actı	ıal su	abdivision and then divided by the district's average daily membership.	
11	SEC	CTIOI	N 12.	AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code is	
12	amende	d and	d reer	nacted as follows:	
13	15.1	-27-0	04.1.	Baseline funding - Establishment - Determination of state aid. (Effective	
14	through	Jun	e 30,	2025)	
15	1.	To o	deterr	mine the amount of state aid payable to each district, the superintendent of	
16		pub	public instruction shall establish each district's baseline funding. A district's baseline		
17		fund	ding o	consists of:	
18		a.	All s	state aid received by the district in accordance with chapter 15.1-27 during the	
19			201	8-19 school year;	
20		b.	An a	amount equal to the property tax deducted by the superintendent of public	
21			insti	ruction to determine the 2018-19 state aid payment;	
22		C.	An a	amount equal to seventy-five percent of the revenue received by the school	
23			dist	rict during the 2017-18 school year for the following revenue types:	
24			(1)	Revenue reported under code 2000 of the North Dakota school district	
25				financial accounting and reporting manual, as developed by the	
26				superintendent of public instruction in accordance with section 15.1-02-08;	
27			(2)	Mineral revenue received by the school district through direct allocation from	
28				the state treasurer and not reported under code 2000 of the North Dakota	
29				school district financial accounting and reporting manual, as developed by	
30				the superintendent of public instruction in accordance with section	
31				15.1-02-08;	

Sixty-seventh Legislative Assembly

1		(3)	Tuition reported under code 1300 of the North Dakota school district
2			financial accounting and reporting manual, as developed by the
3			superintendent of public instruction in accordance with section 15.1-02-08,
4			with the exception of revenue received specifically for the operation of an
5			educational program provided at a residential treatment facility and tuition
6			received for the provision of an adult farm management program;
7		(4)	Revenue from payments in lieu of taxes on the distribution and transmission
8			of electric power;
9		(5)	Revenue from payments in lieu of taxes on electricity generated from
10			sources other than coal;
11		(6)	Revenue from the leasing of land acquired by the United States for which
12			compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
13	d.	An a	amount equal to the total revenue received by the school district during the
14		201	7-18 school year for the following revenue types:
15		(1)	Mobile home tax revenue;
16		(2)	Telecommunications tax revenue; and
17		(3)	Revenue from payments in lieu of taxes and state reimbursement of the
18			homestead credit and disabled veterans credit; and
19	e.	Beg	ginning with the 2020-21 school year, the superintendent shall reduce the
20		bas	eline funding for any school district that becomes an elementary district
21		purs	suant to section 15.1-07-27 after the 2012-13 school year. The reduction must
22		be p	proportional to the number of weighted student units in the grades that are
23		offe	red through another school district relative to the total number of weighted
24		stuc	dent units the school district offered in the year before the school district
25		bec	ame an elementary district. The reduced baseline funding applies to the
26		calc	culation of state aid for the first school year in which the school district
27		bec	omes an elementary district and for each year thereafter. For districts that
28		bec	ome an elementary district prior to the 2020-21 school year, the
29		sup	erintendent shall use the reduced baseline funding to calculate state aid for
30		the	2020-21 school year and for each year thereafter.

- a. The superintendent shall divide the district's baseline funding determined in
 subsection 1 by the district's 2017-18 weighted student units to determine the
 district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. The superintendent shall reduce the district's baseline funding per weighted student unit by fifteen percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2021-22 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
 - 3. a. For the 2019-202021-22 school year, the superintendent shall calculate state aid as the greater of:
 - (1) The district's weighted student units multiplied by nine thousand eight hundred thirty-nineten thousand one hundred thirty-six dollars;
 - (2) One hundred <u>one two</u> percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's

1		weighted student units, not to exceed the district's 2017-18 baseline
2		weighted student units, plus any weighted student units in excess of the
3		2017-18 baseline weighted student units multiplied by nine thousand eight
4		hundred thirty-nineten thousand one hundred thirty-six dollars; or
5	(3)	The district's baseline funding as established in subsection 1 less the
6		amount in paragraph 1, with the difference reduced by fifteen percent and
7		then the difference added to the amount determined in paragraph 1.
8	b. For th	ne 2020-21 2022-23 school year and each school year thereafter, the
9	super	rintendent shall calculate state aid as the greater of:
10	(1)	The district's weighted student units multiplied by ten thousand thirty-sixtwo
11		hundred thirty-seven dollars;
12	(2)	One hundred two percent of the district's baseline funding per weighted
13		student unit, as established in subsection 2, multiplied by the district's
14		weighted student units, not to exceed the district's 2017-18 baseline
15		weighted student units, plus any weighted student units in excess of the
16		2017-18 baseline weighted student units multiplied by ten thousand
17		thirty-sixtwo hundred thirty-seven dollars; or
18	(3)	The district's baseline funding as established in subsection 1 less the
19		amount in paragraph 1, with the difference reduced by fifteenthirty percent
20		for the 2021-22 2022-23 school year and the reduction percentage
21		increasing by fifteen percent each school year thereafter until the difference
22		is reduced to zero, and then the difference added to the amount determined
23		in paragraph 1.
24	c. The s	superintendent also shall adjust state aid determined in this subsection to
25	<u>ensu</u> ı	re the amount does not exceed the transition maximum as follows:
26	(1)	For the 2019-20 2021-22 school year, to ensure the amount does not
27		exceedthe transition maximum rate is one hundred fivefifteen percent of the
28		district's baseline funding per weighted student unit, as established in
29		subsection 2, multipliedplus fifteen percent of the difference between the
30		rate under paragraph 1 of subdivision a of this subsection and one hundred
31		fifteen percent of the district's baseline funding per weighted student unit.

1 The transition maximum is determined by multiplying the transition 2 maximum rate, which may not exceed the rate under paragraph 1 of 3 subdivision a of this subsection, by the district's weighted student units from 4 the previous school year. 5 For the 2020-21<u>2022-23</u> school year and each school year thereafter, to-(2) 6 ensure the amount does not exceed the transition maximum rate is one 7 hundred tentwenty percent of the district's baseline funding per weighted 8 student unit, as established in subsection 2, multiplied plus thirty percent of 9 the difference between the rate under paragraph 1 of subdivision b of this 10 subsection and one hundred twenty percent of the district's baseline funding 11 per weighted student unit. The transition maximum is determined by 12 multiplying the transition maximum rate, which may not exceed the rate 13 under paragraph 1 of subdivision b of this subsection, by the district's 14 weighted student units from the previous school year. 15 (3) For the 2023-24 school year, the transition maximum rate is one hundred 16 twenty percent of the district's baseline funding per weighted student unit, 17 as established in subsection 2, plus forty-five percent of the difference 18 between the rate under paragraph 1 of subdivision b of this subsection and 19 one hundred twenty percent of the district's baseline funding per weighted 20 student unit. The transition maximum is determined by multiplying the 21 transition maximum rate, which may not exceed the rate under paragraph 1 22 of subdivision b of this subsection, by the district's weighted student units 23 from the previous school year. 24 (4) For the 2024-25 school year, the transition maximum rate is one hundred 25 twenty percent of the district's baseline funding per weighted student unit, 26 as established in subsection 2, plus sixty percent of the difference between 27 the rate under paragraph 1 of subdivision b of this subsection and one 28 hundred twenty percent of the district's baseline funding per weighted 29 student unit. The transition maximum is determined by multiplying the 30 transition maximum rate, which may not exceed the rate under paragraph 1

ı			of subdivision b of this subsection, by the district's weighted student units
2			from the previous school year.
3		<u>(5)</u>	For the 2025-26 school year, the transition maximum rate is one hundred
4			twenty percent of the district's baseline funding per weighted student unit.
5			as established in subsection 2, plus seventy-five percent of the difference
6			between the rate under paragraph 1 of subdivision b of this subsection and
7			one hundred twenty percent of the district's baseline funding per weighted
8			student unit. The transition maximum is determined by multiplying the
9			transition maximum rate, which may not exceed the rate under paragraph
10			of subdivision b of this subsection, by the district's weighted student units
11			from the previous school year.
12		<u>(6)</u>	For the 2026-27 school year, the transition maximum rate is one hundred
13			twenty percent of the district's baseline funding per weighted student unit,
14			as established in subsection 2, plus ninety percent of the difference
15			between the rate under paragraph 1 of subdivision b of this subsection and
16			one hundred twenty percent of the district's baseline funding per weighted
17			student unit. The transition maximum is determined by multiplying the
18			transition maximum rate, which may not exceed the rate under paragraph
19			of subdivision b of this subsection, by the district's weighted student units
20			from the previous school year.
21		<u>(7)</u>	For the 2027-28 school year, the transition maximum rate is one hundred
22			twenty percent of the district's baseline funding per weighted student unit,
23			as established in subsection 2, plus the difference between the rate under
24			paragraph 1 of subdivision b of this subsection and one hundred twenty
25			percent of the district's baseline funding per weighted student unit. The
26			transition maximum is determined by multiplying the transition maximum
27			rate, which may not exceed the rate under paragraph 1 of subdivision b of
28			this subsection, by the district's weighted student units from the previous
29			school year.
30	4.	After det	ermining the product in accordance with subsection 3, the superintendent of
31		public ins	struction shall:

- 1 Subtract an amount equal to sixty mills multiplied by the taxable valuation of the 2 3 4 5 section 15.1-27-04.3; and 6 b. 7 8 9 shall adjust revenues as follows: 10 Tuition revenue shall be adjusted as follows: 11 12 13 14 15 16 17 18 19 border education contract; and 20 (b) 21 22 23 24 adjacent school district. 25 (2) 26 27 28
 - school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to
 - Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction
 - In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition revenue received for the provision of an adult farm management program as directed in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-
 - The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an
 - After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 20182020 by the school district for sinking and interest relative to the total mills levied in 20182020 by the school district for all purposes.

30

1 The amount remaining after the computation required under subsection 4 is the 2 amount of state aid to which a school district is entitled, subject to any other statutory 3 requirements or limitations. On or before June thirtieth of each year, the school board shall certify to the 4 6. 5 superintendent of public instruction the final average daily membership for the current 6 school year. 7 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration 8 with the school districts, shall report the following to the superintendent of public 9 instruction on an annual basis: 10 The amount of revenue received by each school district in the county during the 11 previous school year for each type of revenue identified in subdivisions c and d of 12 subsection 1; 13 The total number of mills levied in the previous calendar year by each school b. 14 district for all purposes; and 15 C. The number of mills levied in the previous calendar year by each school district 16 for sinking and interest fund purposes. 17 Baseline funding - Establishment - Determination of state aid. (Effective after 18 June 30, 2025) 19 To determine the amount of state aid payable to each district, the superintendent of 20 public instruction shall establish each district's baseline funding. A district's baseline 21 funding consists of: 22 All state aid received by the district in accordance with chapter 15.1-27 during the 23 2018-19 school year; 24 b. An amount equal to the property tax deducted by the superintendent of public 25 instruction to determine the 2018-19 state aid payment; 26 An amount equal to seventy-five percent of the revenue received by the school 27 district during the 2017-18 school year for the following revenue types: 28 Revenue reported under code 2000 of the North Dakota school district (1)

financial accounting and reporting manual, as developed by the

superintendent of public instruction in accordance with section 15.1-02-08;

1		(2)	Mineral revenue received by the school district through direct allocation from	
2			the state treasurer and not reported under code 2000 of the North Dakota	
3			school district financial accounting and reporting manual, as developed by	
4			the superintendent of public instruction in accordance with section	
5			15.1-02-08;	
6		(3)	Tuition reported under code 1300 of the North Dakota school district	
7			financial accounting and reporting manual, as developed by the	
8			superintendent of public instruction in accordance with section 15.1-02-08,	
9			with the exception of revenue received specifically for the operation of an	
10			educational program provided at a residential treatment facility and tuition	
11			received for the provision of an adult farm management program;	
12		(4)	Revenue from payments in lieu of taxes on the distribution and transmission	
13			of electric power;	
14		(5)	Revenue from payments in lieu of taxes on electricity generated from	
15			sources other than coal;	
16		(6)	Revenue from the leasing of land acquired by the United States for which	
17			compensation is allocated to the state under 33 U.S.C. 701(c)(3); and	
18	d.	An a	amount equal to the total revenue received by the school district during the	
19		201	7-18 school year for the following revenue types:	
20		(1)	Mobile home tax revenue;	
21		(2)	Telecommunications tax revenue; and	
22		(3)	Revenue from payments in lieu of taxes and state reimbursement of the	
23			homestead credit and disabled veterans credit.	
24	e.	Beg	inning with the 2020-21 school year, the superintendent shall reduce the	
25		baseline funding for any school district that becomes an elementary district		
26		purs	suant to section 15.1-07-27 after the 2012-13 school year. The reduction must	
27		be p	proportional to the number of weighted student units in the grades that are	
28		offe	red through another school district relative to the total number of weighted	
29		stuc	dent units the school district offered in the year before the school district	
30		bec	ame an elementary district. The reduced baseline funding applies to the	
31		calc	culation of state aid for the first school year in which the school district	

- becomes an elementary district and for each year thereafter. For districts that
 become an elementary district prior to the 2020-21 school year, the
 superintendent shall use the reduced baseline funding to calculate state aid for
 the 2020-21 school year and for each year thereafter.
 - a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
 - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
 - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. The superintendent shall reduce the district's baseline funding per weighted student unit by fifteen percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2021-22 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
 - 3. a. For the 2019-202021-22 school year, the superintendent shall calculate state aid as the greater of:

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1		(1)	The district's weighted student units multiplied by nine thousand eight
2			hundred thirty-nineten thousand one hundred thirty-six dollars;
3		(2)	One hundred enetwo percent of the district's baseline funding per weighted
4			student unit, as established in subsection 2, multiplied by the district's
5			weighted student units, not to exceed the district's 2017-18 baseline
6			weighted student units, plus any weighted student units in excess of the
7			2017-18 baseline weighted student units multiplied by nine thousand eight
8			hundred thirty-nineten thousand one hundred thirty-six dollars; or
9		(3)	The district's baseline funding as established in subsection 1 less the
10			amount in paragraph 1, with the difference reduced by fifteen percent and
11			then the difference added to the amount determined in paragraph 1.
12	b.	For	the 2020-21 2022-23 school year and each school year thereafter, the
13		supe	erintendent shall calculate state aid as the greater of:
14		(1)	The district's weighted student units multiplied by ten thousand thirty-sixtwo
15			<u>hundred thirty-seven</u> dollars;
16		(2)	One hundred two percent of the district's baseline funding per weighted
17			student unit, as established in subsection 2, multiplied by the district's
18			weighted student units, not to exceed the district's 2017-18 baseline
19			weighted student units, plus any weighted student units in excess of the
20			2017-18 baseline weighted student units multiplied by ten thousand
21			thirty-sixtwo hundred thirty-seven dollars; or
22		(3)	The district's baseline funding as established in subsection 1 less the
23			amount in paragraph 1, with the difference reduced by fifteenthirty percent
24			for the 2021-222022-23 school year and the reduction percentage
25			increasing by fifteen percent each school year thereafter until the difference
26			is reduced to zero, and then the difference added to the amount determined
27			in paragraph 1.
28	C.	The	superintendent also shall adjust state aid determined in this subsection to
29		<u>ensı</u>	ure the amount does not exceed the transition maximum as follows:
30		(1)	For the 2019-202021-22 school year, to ensure the amount does not
31			exceedthe transition maximum rate is one hundred five fifteen percent of the

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1		district's baseline funding per weighted student unit, as established in
2		subsection 2, multiplied plus fifteen percent of the difference between the
3		rate under paragraph 1 of subdivision a of this subsection and one hundred
4		fifteen percent of the district's baseline funding per weighted student unit.
5		The transition maximum is determined by multiplying the transition
6		maximum rate, which may not exceed the rate under paragraph 1 of
7		subdivision a of this subsection, by the district's weighted student units from
8		the previous school year.
9	(2)	For the 2020-21 <u>2022-23</u> school year and each school year thereafter , to-
10		ensure the amount does not exceed the transition maximum rate is one
11		hundred tentwenty percent of the district's baseline funding per weighted
12		student unit, as established in subsection 2, multiplied plus thirty percent of
13		the difference between the rate under paragraph 1 of subdivision b of this
14		subsection and one hundred twenty percent of the district's baseline funding
15		per weighted student unit. The transition maximum is determined by
16		multiplying the transition maximum rate, which may not exceed the rate
17		under paragraph 1 of subdivision b of this subsection, by the district's
18		weighted student units from the previous school year.
19	<u>(3)</u>	For the 2023-24 school year, the transition maximum rate is one hundred
20		twenty percent of the district's baseline funding per weighted student unit,
21		as established in subsection 2, plus forty-five percent of the difference
22		between the rate under paragraph 1 of subdivision b of this subsection and
23		one hundred twenty percent of the district's baseline funding per weighted
24		student unit. The transition maximum is determined by multiplying the
25		transition maximum rate, which may not exceed the rate under paragraph 1
26		of subdivision b of this subsection, by the district's weighted student units
27		from the previous school year.
28	<u>(4)</u>	For the 2024-25 school year, the transition maximum rate is one hundred
29		twenty percent of the district's baseline funding per weighted student unit,
30		as established in subsection 2, plus sixty percent of the difference between
31		the rate under paragraph 1 of subdivision b of this subsection and one

1		hundred twenty percent of the district's baseline funding per weighted
2		student unit. The transition maximum is determined by multiplying the
3		transition maximum rate, which may not exceed the rate under paragraph 1
4		of subdivision b of this subsection, by the district's weighted student units
5		from the previous school year.
6	<u>(5)</u>	For the 2025-26 school year, the transition maximum rate is one hundred
7		twenty percent of the district's baseline funding per weighted student unit,
8		as established in subsection 2, plus seventy-five percent of the difference
9		between the rate under paragraph 1 of subdivision b of this subsection and
0		one hundred twenty percent of the district's baseline funding per weighted
11		student unit. The transition maximum is determined by multiplying the
2		transition maximum rate, which may not exceed the rate under paragraph 1
3		of subdivision b of this subsection, by the district's weighted student units
4		from the previous school year.
5	<u>(6)</u>	For the 2026-27 school year, the transition maximum rate is one hundred
6		twenty percent of the district's baseline funding per weighted student unit,
7		as established in subsection 2, plus ninety percent of the difference
8		between the rate under paragraph 1 of subdivision b of this subsection and
9		one hundred twenty percent of the district's baseline funding per weighted
20		student unit. The transition maximum is determined by multiplying the
21		transition maximum rate, which may not exceed the rate under paragraph 1
22		of subdivision b of this subsection, by the district's weighted student units
23		from the previous school year.
24	<u>(7)</u>	For the 2027-28 school year, the transition maximum rate is one hundred
25		twenty percent of the district's baseline funding per weighted student unit,
26		as established in subsection 2, plus the difference between the rate under
27		paragraph 1 of subdivision b of this subsection and one hundred twenty
28		percent of the district's baseline funding per weighted student unit. The
29		transition maximum is determined by multiplying the transition maximum
30		rate, which may not exceed the rate under paragraph 1 of subdivision b of

1				this s	subsection, by the district's weighted student units from the previous
2				<u>scho</u>	ol year.
3	4.	Afte	r dete	ermini	ng the product in accordance with subsection 3, the superintendent of
4		publ	ic ins	structio	on shall:
5		a.	Sub	tract a	in amount equal to sixty mills multiplied by the taxable valuation of the
6			sch	ool dis	trict; and
7		b.	Sub	tract a	in amount equal to seventy-five percent of all revenue types listed in
8			sub	divisio	ns c and d of subsection 1. Before determining the deduction for
9			seve	enty-fi	ve percent of all revenue types, the superintendent of public instruction
0			shal	ll adjus	st revenues as follows:
11			(1)	Tuitio	on revenue shall be adjusted as follows:
2				(a)	In addition to deducting tuition revenue received specifically for the
3					operation of an educational program provided at a residential
4					treatment facility and tuition revenue received for the provision of an
5					adult farm management program as directed in paragraph 3 of
6					subdivision c of subsection 1, the superintendent of public instruction
7					also shall reduce the total tuition reported by the school district by the
8					amount of tuition revenue received for the education of students not
9					residing in the state and for which the state has not entered a cross-
20					border education contract; and
21				(b)	The superintendent of public instruction also shall reduce the total
22					tuition reported by admitting school districts meeting the requirements
23					of subdivision e of subsection 2 of section 15.1-29-12 by the amount
24					of tuition revenue received for the education of students residing in an
25					adjacent school district.
26			(2)	After	adjusting tuition revenue as provided in paragraph 1, the
27				supe	rintendent shall reduce all remaining revenues from all revenue types
28				by th	e percentage of mills levied in 20182020 by the school district for
29				sinki	ng and interest relative to the total mills levied in 20182020 by the
30				scho	ol district for all purposes.

- The amount remaining after the computation required under subsection 4 is the
 amount of state aid to which a school district is entitled, subject to any other statutory
 requirements or limitations.
 - 6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
 - 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
 - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1:
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 16. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$260,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing funding for the operations of the kindergarten through grade twelve education coordination council, for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 13. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

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

- 1. Average daily membership is calculated at the conclusion of the school year by adding the total number of hours that each student in a given grade, school, or school district is in attendance at the school's physical plant during a school calendar and the total number of hours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by:
 - a. Nine hundred sixty-two and one-half hours for elementary school students; or
 - b. One thousand fifty hours for middle and high school students.

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- 2. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - d. A student enrolled full time in virtual instruction is calculated at an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 14. AMENDMENT. Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-07. Students not subject to this chapter.

- 1. If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district.
- 2. If a student resides in a district other than the one the student is enrolled in for purposes of receiving virtual instruction, the student is not subject to this chapter unless a cost-sharing agreement is established between the school district of residence and the receiving district.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - TRANSITION MINIMUM REDUCTION.

During the 2021-22 interim, the legislative management shall consider studying kindergarten through grade twelve school funding, including transition minimum reduction impacts to reorganized and consolidated school districts. The study must include: