Sixty-seventh Legislative Assembly of North Dakota

SECOND ENGROSSMENT with Senate Amendments REENGROSSED HOUSE BILL NO. 1388

Introduced by

Representative Owens

Senator Schaible

1 A BILL for an Act to create and enact a new subsection to section 15.1-06-04, a new section to

2 chapter 15.1-07, a new section to chapter 15.1-13, and a new section to chapter 15.1-21 of the

3 North Dakota Century Code, relating to virtual learning, school calendar length, reading

4 competency requirements, and teacher professional development and licensure; to amend and

5 reenact section 15.1-01-04, subsection 4 of section 15.1-06-04, subdivision e of subsection 1 of

6 section 15.1-06-06, section 15.1-06-13, subsection 2 of section 15.1-09.1-02.1, and sections

7 15.1-20-01, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-35, and 15.1-31-07 of the North Dakota

8 Century Code, relating to membership of the kindergarten through grade twelve education

9 coordination council, adjustments to school district size weighting factors, the education

10 foundation aid funding formula transition maximum and payment rates, student attendance and

11 enrollment, school approval, school compliance, regional education association services,

12 average daily membership, and school calendars; to provide for a legislative management

13 study; to provide for a legislative management report; and to provide an effective date.

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

SECTION 1. AMENDMENT. Section 15.1-01-04 of the North Dakota Century Code isamended and reenacted as follows:

17

15.1-01-04. Kindergarten through grade twelve education coordination council.

- 18 1. The state board of public school education shall oversee the creation and ongoing
- 19 operation of the kindergarten through grade twelve education coordination council.
- 20 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
 majority leader of the chamber, and one member of the minority party selected
 through collaboration between the respective minority leaders of each chamber;

1		b.	The governor or the governor's designee;
2		C.	The superintendent of public instruction or the superintendent's designee;
3		d.	The president of the state board for career and technical education or the
4			president's designee;
5		e.	The president of the board of the North Dakota council of educational leaders or
6			the president's designee;
7		f.	The president of the board of North Dakota united or the president's designee;
8		g.	The president of the board of the North Dakota school boards association or the
9			president's designee;
10		h.	The president of the board of the North Dakota small organized schools or the
11			president's designee;
12		i.	The president of the board of the North Dakota school counselor association or
13			the president's designee; and
14		j.	The president of the North Dakota special education study council or the
15			president's designee;
16		<u>k.</u>	The president of the North Dakota regional education association or the
17			president's designee; and
18		<u>l.</u>	The following gubernatorial appointees:
19			(1) An individual representing the statewide longitudinal data system
20			committee;
21			(2) An individual representing a tribal school;
22			(3) An individual employed as a public school administrator;
23			(4) An individual employed as a public school principal; and
24		(8	b)(4) An individual employed as a public school teacher;
25			(6) A director of a special education unit; and
26			(7) A director of a regional education association.
27	3.	The	e term of office for a member appointed by the governor is four years. The governor
28		ma	y stagger the initial appointments to the council so no more than three members'
29		terr	ns expire in any year.
30	4.	The	e council shall select a presiding officer annually from among its members.

1	5.	Am	ember of the council who is a member of the legislative assembly is entitled to
2		rece	eive per diem compensation at the rate provided under section 54-35-10 for each
3		day	performing official duties of the council and to reimbursement for travel and
4		expe	enses as provided by law, to be paid by the legislative council. A member of the
5		cour	ncil who is not a state employee is entitled to receive as compensation sixty-two
6		dolla	ars and fifty cents per day and to reimbursement of expenses as provided by law
7		for s	state officers while attending meetings of the council, to be paid by the state board
8		of p	ublic school education. A state employee who is a member of the council is entitled
9		to re	eceive that employee's regular salary and is entitled to reimbursement for mileage
10		and	expenses, to be paid by the employing agency.
11	6.	The	council may hire an executive director.
12	7.	The	council shall:
13		a.	Assist in the implementation, dissemination, and communication of the statewide
14			strategic vision and evaluate progress toward meeting the identified goals and
15			strategies.
16		b.	Perform a continuous review of the effectiveness and efficiency of access and
17			delivery of education services and programs in the state.
18		C.	Identify opportunities for increased collaboration among state education entities
19			and stakeholders.
20		d.	Identify gaps or duplications in education services and programs and provide
21			recommendations for addressing those gaps or duplications.
22		e.	Study and evaluate new and emerging educational initiatives and trends and
23			provide recommendations for policy changes to state entities or the legislative
24			assembly if necessary.
25		f.	Support the implementation, dissemination, and communication of local or
26			regional educational initiatives and practices, including innovative education
27			programs, on a statewide level.
28		g.	Establish a one-stop communication and Coordinate and communicate
29			information hubavailable on state websites to provide the public and interested
30			parties with seamless access to state entities that deliver education services and
31			programs.

1		h.	Dev	elop and utilize subcommittees as needed.
2		i.	See	k advice and input from interested parties not appointed to the council as
3			nee	ded.
4	8.	The	coun	cil shall meet at least four times per calendar year.
5	9.	The	coun	cil shall prepare and present an annual report of council activities to the state
6		boa	rd of	public school education and to the legislative management.
7	SEC		N 2. A	MENDMENT. Subsection 4 of section 15.1-06-04 of the North Dakota
8	Century	Code	e is ai	mended and reenacted as follows:
9	4.	For	purpo	oses of this section, a full day of instruction at a physical school plant consists
10		of:		
11		a.	At le	east five and one-half hours for kindergarten and elementary students, during
12			whic	ch time the students are required to be in attendance for the purpose of
13			rece	eiving curricular instruction; and
14		b.	At le	east six hours for high school students, during which time the students are
15			requ	ired to be in attendance for the purpose of receiving curricular instruction.
16	SEC		N 3. A	new subsection to section 15.1-06-04 of the North Dakota Century Code is
17	created a	and e	enacte	ed as follows:
18		<u>lf a s</u>	schoo	ol district intends to provide virtual instruction, the instruction must comply
19		<u>with</u>	the r	equirements under subsection 4. The attendance of students participating in
20		<u>virtu</u>	ial ins	struction must be verified by monitoring the student's progress on academic
21		paci	ing gι	uides developed by the school district to ensure students are in attendance
22		and	recei	iving sufficient curricular instruction, as defined in rules adopted by the
23		<u>supe</u>	erinte	ndent of public instruction.
24	SEC		N 4. A	MENDMENT. Subdivision e of subsection 1 of section 15.1-06-06 of the
25	North Da	akota	Cent	tury Code is amended and reenacted as follows:
26		e.	The	physical school plant has been inspected by the state fire marshal or the
27			state	e fire marshal's designee in accordance with section 15.1-06-09 and:
28			(1)	Has no unremedied deficiency; or
29			(2)	Has deficiencies that have been addressed in a plan of correction which
30				was submitted to and approved by the state fire marshal or the state fire
31				marshal's designee;

1	SECTION 5. AMENDMENT. Section 15.1-06-13 of the North Dakota Century Code is				
2	amende	amended and reenacted as follows:			
3	15.1	-06-1	3. Schools - Compliance with health, safety, and sanitation requirements.		
4	The	supe	rintendent of each school district shall ensure that the schoolsphysical school		
5	<u>plants</u> in	the o	district comply with all health, safety, and sanitation requirements.		
6	SEC		6. A new section to chapter 15.1-07 of the North Dakota Century Code is created		
7	and ena	cted a	as follows:		
8	<u>Sch</u>	ool d	listricts - Policy - Virtual learning - Report to legislative management.		
9	The	boar	d of a school district or governing board of a nonpublic school that operates a		
10	physical	scho	ol plant may adopt a policy to allow students to engage in virtual instruction and in		
11	the case	e of a	school district, qualify for average daily membership in the district. The		
12	<u>superint</u>	endei	nt of public instruction shall adopt rules governing policies under this section. A		
13	policy ad	dopte	d by a school district under this section must comply with the rules adopted by the		
14	<u>superint</u>	endei	nt of public instruction. The superintendent of public instruction shall provide		
15	<u>biennial</u>	repor	rts to the legislative management regarding the academic performance metrics of		
16	students participating in virtual instruction under this section.				
17	SECTION 7. AMENDMENT. Subsection 2 of section 15.1-09.1-02.1 of the North Dakota				
18	Century	Code	e is amended and reenacted as follows:		
19	2.	Sub	section 1 does not preclude a regional education association from offering		
20		addi	itional services to its member districts .		
21	SEC		8. A new section to chapter 15.1-13 of the North Dakota Century Code is created		
22	and ena	cted a	as follows:		
23	Tea	ching	license - Reading instruction competency.		
24	<u>1.</u>	<u>The</u>	board shall ensure a candidate for teacher licensure demonstrates competencies		
25		<u>in b</u>	eginning reading instruction based on scientifically and research-based best		
26		prac	ctices. Competencies must include the acquisition of knowledge of the essential		
27		<u>com</u>	ponents of beginning reading instruction, including:		
28		<u>a.</u>	Phonemic awareness;		
29		<u>b.</u>	Phonics;		
30		<u>C.</u>	Fluency;		
31		<u>d.</u>	Vocabulary;		

1		e. <u>Comprehension</u> ;
2		f. How to assess student reading ability; and
3		g. How to identify and correct reading difficulties.
4	<u>2.</u>	A prekindergarten, kindergarten, elementary, and special education initial teacher
5		licensure candidate must complete at least nine semester hours of reading which
6		include a focus on the components under subsection 1.
7	<u>3.</u>	A prekindergarten through grade twelve and a secondary education initial teacher
8		licensure candidate must complete at least three semester hours of reading in the
9		content area to be taught which includes a focus on vocabulary, comprehension, and
10		writing.
11	<u>4.</u>	A teacher licensure candidate satisfies the requirements of this section if the candidate
12		demonstrates the candidate has received training in competencies related to reading
13		instruction from an accredited or approved program, or demonstrates mastery of the
14		topics provided under subsection 1. The board may issue a provisional license for up
15		to two years to a teacher licensure candidate who does not meet the requirements of
16		this section.
17	SEC	TION 9. AMENDMENT. Section 15.1-20-01 of the North Dakota Century Code is
18	amende	d and reenacted as follows:
19	15.1	-20-01. Compulsory attendance.
20	1.	Any person having responsibility for a child between the ages of seven and sixteen
21		years shall ensure that the child is in attendance at attends a public school for the
22		duration of each school year.
23	2.	If a person enrolls a child of age six in a public school, the person shall ensure that the
24		child is in attendance at<u>attends</u> the public school for the duration of each school year.
25		The person may withdraw a child of age six from the public school. However, once the
26		child is withdrawn, the person may not re-enroll the child until the following school
27		year. This subsection does not apply if the reason for the withdrawal is the child's
28		relocation to another school district.
29	3.	This section does not apply if a child is exempted under the provisions of section
30		15.1-20-02.

1	<u>4.</u>	<u>The a</u>	tter	ndance of students participating in virtual instruction must be verified by
2		<u>monit</u>	<u>orir</u>	ng the student's progress on academic pacing guides developed by the school
3		<u>distric</u>	<u>:t to</u>	ensure students are in attendance and receiving sufficient curricular
4		<u>instru</u>	<u>ctio</u>	on, as defined in rules adopted by the superintendent of public instruction.
5	SEC	TION	10.	A new section to chapter 15.1-21 of the North Dakota Century Code is
6	created	and en	act	ed as follows:
7	<u>Rea</u>	ding c	<u>urr</u>	iculum - Content - Professional development - Reports to legislative
8	manage	ment.		
9	<u>1.</u>	<u>Begin</u>	nin	g July 1, 2022, each school district and nonpublic school shall ensure the
10		portio	<u>n o</u>	f its curriculum which is related to reading:
11		<u>a.</u> I	<u>S S</u> (cientifically based, evidence based, and research based;
12		<u>b.</u> [-oc	uses on:
13		Ĺ	1)	Phonemic awareness;
14		Ĺ	<u>2)</u>	Phonics;
15		Ĺ	<u>3)</u>	Fluency:
16		Ĺ	<u>4)</u>	Vocabulary; and
17		Ĺ	<u>5)</u>	Comprehension; and
18		<u>c.</u>	<u>Jse</u>	es systematic direct instruction for students in kindergarten through grade
19		<u>t</u>	hre	e to ensure all students obtain necessary early reading skills.
20	<u>2.</u>	<u>Befor</u>	<u>e th</u>	ne 2022-23 school year, each teacher who teaches kindergarten through
21		grade	<u>thr</u>	ree at a school district or nonpublic school, and each principal of a public or
22		<u>nonpı</u>	<u>ildı</u>	c school with kindergarten through grade three, shall attend
23		<u>teach</u>	<u>er-a</u>	approved, professional development training that includes training in the
24		topics	s pro	ovided under subsection 1.
25	<u>3.</u>	<u>Each</u>	<u>tea</u>	cher or principal hired by a school district or nonpublic school that provides
26		<u>instru</u>	<u>ctio</u>	on in kindergarten through grade three shall complete the training under
27		<u>subse</u>	ectio	on 2, or demonstrate mastery of the topics provided under subsection 1,
28		within	on	e year of the teacher's or principal's first year of placement in the grade level
29		<u>or at t</u>	he	school.
30	<u>4.</u>	<u>To be</u>	ap	proved by the superintendent of public instruction, each public and nonpublic
31		schoo	ol sł	nall certify to the superintendent of public instruction that the district or school:

1		<u>a.</u>	Ensures the placement of highly effective teachers in kindergarten through grade
2			<u>three;</u>
3		<u>b.</u>	Has integrated reading instruments used to diagnose reading development and
4			comprehension; and
5		<u>C.</u>	Has integrated evidence-based resources to support reading development and
6			comprehension.
7	<u>5.</u>	<u>The</u>	superintendent of public instruction shall provide ongoing assistance to school
8		<u>dist</u>	ricts and nonpublic schools to be in and maintain compliance with this section.
9	<u>6.</u>	<u>The</u>	superintendent of public instruction, in collaboration with the kindergarten through
10		grad	de twelve education coordination council, shall adopt rules to implement this
11		<u>sec</u>	tion, including rules to monitor implementation and compliance with this section.
12	<u>7.</u>	<u>The</u>	superintendent of public instruction shall provide periodic reports to the legislative
13		mar	nagement on the implementation and effectiveness of this section in improving
14		<u>edu</u>	cational outcomes and reading competency of students.
15	SEC	стю	N 11. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is
16	amende	d and	d reenacted as follows:
17	15.1	-27-0	03.2. School district size weighting factor - Weighted student units.
18	1.	For	each high school district in the state, the superintendent of public instruction shall
19		ass	ign a baseline school district size weighting factor of:
20		a.	1.36 if the students in average daily membership number fewer than 110;
21		b.	1.35 if the students in average daily membership number at least 110 but fewer
22			than 125;
23		C.	1.34 if the students in average daily membership number at least 125 but fewer
24			than 130;
25		d.	1.33 if the students in average daily membership number at least 130 but fewer
26			than 135;
27		e.	1.32 if the students in average daily membership number at least 135 but fewer
28			than 140;
29		f.	1.31 if the students in average daily membership number at least 140 but fewer
30			than 145;

	-	-
1	g.	1.30 if the students in average daily membership number at least 145 but fewer
2		than 150;
3	h.	1.29 if the students in average daily membership number at least 150 but fewer
4		than 155;
5	i.	1.28 if the students in average daily membership number at least 155 but fewer
6		than 160;
7	j.	1.27 if the students in average daily membership number at least 160 but fewer
8		than 165;
9	k.	1.26 if the students in average daily membership number at least 165 but fewer
10		than 175;
11	I.	1.25 if the students in average daily membership number at least 175 but fewer
12		than 185;
13	m.	1.24 if the students in average daily membership number at least 185 but fewer
14		than 200;
15	n.	1.23 if the students in average daily membership number at least 200 but fewer
16		than 215;
17	0.	1.22 if the students in average daily membership number at least 215 but fewer
18		than 230;
19	р.	1.21 if the students in average daily membership number at least 230 but fewer
20		than 245;
21	q.	1.20 if the students in average daily membership number at least 245 but fewer
22		than 260;
23	r.	1.19 if the students in average daily membership number at least 260 but fewer
24		than 270;
25	S.	1.18 if the students in average daily membership number at least 270 but fewer
26		than 275;
27	t.	1.17 if the students in average daily membership number at least 275 but fewer
28		than 280;
29	u.	1.16 if the students in average daily membership number at least 280 but fewer
30		than 285;

	-	
1	V.	1.15 if the students in average daily membership number at least 285 but fewer
2		than 290;
3	W.	1.14 if the students in average daily membership number at least 290 but fewer
4		than 295;
5	Х.	1.13 if the students in average daily membership number at least 295 but fewer
6		than 300;
7	у.	1.12 if the students in average daily membership number at least 300 but fewer
8		than 305;
9	Ζ.	1.11 if the students in average daily membership number at least 305 but fewer
10		than 310;
11	aa.	1.10 if the students in average daily membership number at least 310 but fewer
12		than 320;
13	bb.	1.09 if the students in average daily membership number at least 320 but fewer
14		than 335;
15	CC.	1.08 if the students in average daily membership number at least 335 but fewer
16		than 350;
17	dd.	1.07 if the students in average daily membership number at least 350 but fewer
18		than 360;
19	ee.	1.06 if the students in average daily membership number at least 360 but fewer
20		than 370;
21	ff.	1.05 if the students in average daily membership number at least 370 but fewer
22		than 380;
23	gg.	1.04 if the students in average daily membership number at least 380 but fewer
24		than 390;
25	hh.	1.03 if the students in average daily membership number at least 390 but fewer
26		than 400;
27	ii.	1.02 if the students in average daily membership number at least 400 but fewer
28		than 600;
29	jj.	1.01 if the students in average daily membership number at least 600 but fewer
30		than 900; and
31	kk.	1.00 if the students in average daily membership number at least 900.

4	~	-	and all montany district in the state Device in with the 0004-00 states in the
1	2.		each elementary district in the state Beginning with the 2021-22 school year and
2			h school year thereafter until the 2027-28 school year, the superintendent of public
3			ruction shall assign a <u>school district size</u> weighting factor <u>determined by increasing</u>
4		<u>the</u>	baseline weighting factor under subsection 1 each year by fourteen and
5		<u>twe</u>	nty-nine hundredths percent of the difference between the weighting factor under
6		<u>this</u>	subsection and the baseline weighting factor under subsection 1 for the same
7		<u>sch</u>	ool district size. For the 2027-28 school year and each school year thereafter, the
8		<u>sup</u>	erintendent of public instruction shall assign a school district size weighting factor
9		of:	
10		a.	1.251.72 if the students in average daily membership number fewer than 125110;
11		b.	1.171.68 if the students in average daily membership number at least 125110 but
12			fewer than 200<u>125;</u> and
13		C.	1.001.64 if the students in average daily membership number at least 200125 but
14			fewer than 130;
15		<u>d.</u>	1.60 if the students in average daily membership number at least 130 but fewer
16			<u>than 135;</u>
17		<u>e.</u>	1.56 if the students in average daily membership number at least 135 but fewer
18			<u>than 140;</u>
19		<u>f.</u>	1.52 if the students in average daily membership number at least 140 but fewer
20			<u>than 145:</u>
21		<u>g.</u>	1.49 if the students in average daily membership number at least 145 but fewer
22			<u>than 150;</u>
23		<u>h.</u>	1.45 if the students in average daily membership number at least 150 but fewer
24			<u>than 155;</u>
25		<u>i.</u>	1.42 if the students in average daily membership number at least 155 but fewer
26			<u>than 160:</u>
27		<u>j.</u>	1.39 if the students in average daily membership number at least 160 but fewer
28			<u>than 165;</u>
29		<u>k.</u>	1.36 if the students in average daily membership number at least 165 but fewer
30			<u>than 175;</u>

1	<u>l.</u>	1.33 if the students in average daily membership number at least 175 but fewer
2		<u>than 185;</u>
3	<u>m.</u>	1.30 if the students in average daily membership number at least 185 but fewer
4		<u>than 200;</u>
5	<u>n.</u>	1.27 if the students in average daily membership number at least 200 but fewer
6		<u>than 215;</u>
7	<u>0.</u>	1.25 if the students in average daily membership number at least 215 but fewer
8		<u>than 230;</u>
9	<u>p.</u>	1.22 if the students in average daily membership number at least 230 but fewer
10		<u>than 245;</u>
11	<u>q.</u>	1.20 if the students in average daily membership number at least 245 but fewer
12		<u>than 260;</u>
13	<u>r.</u>	1.19 if the students in average daily membership number at least 260 but fewer
14		<u>than 270;</u>
15	<u>S.</u>	1.18 if the students in average daily membership number at least 270 but fewer
16		<u>than 275;</u>
17	<u>t.</u>	1.17 if the students in average daily membership number at least 275 but fewer
18		<u>than 280;</u>
19	<u>u.</u>	1.16 if the students in average daily membership number at least 280 but fewer
20		<u>than 285;</u>
21	<u>V.</u>	1.15 if the students in average daily membership number at least 285 but fewer
22		<u>than 290;</u>
23	<u>W.</u>	<u>1.14 if the students in average daily membership number at least 290 but fewer</u>
24		<u>than 295;</u>
25	<u>X.</u>	1.13 if the students in average daily membership number at least 295 but fewer
26		<u>than 300;</u>
27	<u>у.</u>	1.12 if the students in average daily membership number at least 300 but fewer
28		<u>than 305;</u>
29	<u>Z.</u>	1.11 if the students in average daily membership number at least 305 but fewer
30		<u>than 310;</u>

1	<u>aa</u>	1.10 if the students in average daily membership number at least 310 but fewer
2		<u>than 320;</u>
3	bb	1.09 if the students in average daily membership number at least 320 but fewer
4		<u>than 335;</u>
5	<u>CC</u>	1.08 if the students in average daily membership number at least 335 but fewer
6		<u>than 350;</u>
7	<u>dd</u>	1.07 if the students in average daily membership number at least 350 but fewer
8		<u>than 360;</u>
9	ee	1.06 if the students in average daily membership number at least 360 but fewer
10		<u>than 370;</u>
11	ff	1.05 if the students in average daily membership number at least 370 but fewer
12		<u>than 380;</u>
13	gg	1.04 if the students in average daily membership number at least 380 but fewer
14		<u>than 390;</u>
15	<u>hh</u>	1.03 if the students in average daily membership number at least 390 but fewer
16		<u>than 400;</u>
17	<u>ii</u>	1.02 if the students in average daily membership number at least 400 but fewer
18		<u>than 600;</u>
19	ij	1.01 if the students in average daily membership number at least 600 but fewer
20		than 900; and
21	<u>kk</u>	1.00 if the students in average daily membership number at least 900.
22	3. <u>T</u>	he superintendent of public instruction shall impute an average daily membership for
23	<u>e</u> :	ach school district that does not include a high school and use the imputed average
24	<u>d</u> ;	aily membership to determine the school district size weighting factor under this
25	<u>S(</u>	ection. To determine the imputed average daily membership, the superintendent of
26	p	ublic instruction shall divide the school district's average daily membership by 0.60.
27	<u>4.</u> T	he school district size weighting factor determined under this section and multiplied
28	b	y a school district's weighted average daily membership equals the district's weighted
29	st	udent units.
30	4. <u>5.</u> N	otwithstanding the provisions of this section, the school district size weighting factor
31	a	ssigned to a district may not be less than the factor arrived at when the highest

1		number of students possible in average daily membership is multiplied by the school						
2		district size weighting factor for the subdivision immediately preceding the district's						
3	actual subdivision and then divided by the district's average daily membership.							
4	SEC	стю	N 12.	AMENDMENT. Section 15.1-27-04.1 of the North Dakota Century Code is				
5	amende	ed an	d ree	nacted as follows:				
6	15.1	1-27-	04.1.	Baseline funding - Establishment - Determination of state aid. (Effective				
7	through	ו Jur	ne 30,	2025)				
8	1.	То	deterr	mine the amount of state aid payable to each district, the superintendent of				
9		put	olic ins	struction shall establish each district's baseline funding. A district's baseline				
10		fun	ding o	consists of:				
11		a.	Alls	state aid received by the district in accordance with chapter 15.1-27 during the				
12			201	8-19 school year;				
13		b.	An	amount equal to the property tax deducted by the superintendent of public				
14			inst	ruction to determine the 2018-19 state aid payment;				
15		C.	An	amount equal to seventy-five percent of the revenue received by the school				
16			dist	rict during the 2017-18 school year for the following revenue types:				
17			(1)	Revenue reported under code 2000 of the North Dakota school district				
18				financial accounting and reporting manual, as developed by the				
19				superintendent of public instruction in accordance with section 15.1-02-08;				
20			(2)	Mineral revenue received by the school district through direct allocation from				
21				the state treasurer and not reported under code 2000 of the North Dakota				
22				school district financial accounting and reporting manual, as developed by				
23				the superintendent of public instruction in accordance with section				
24				15.1-02-08;				
25			(3)	Tuition reported under code 1300 of the North Dakota school district				
26				financial accounting and reporting manual, as developed by the				
27				superintendent of public instruction in accordance with section 15.1-02-08,				
28				with the exception of revenue received specifically for the operation of an				
29				educational program provided at a residential treatment facility and tuition				
30				received for the provision of an adult farm management program;				

1			(4)	Revenue from payments in lieu of taxes on the distribution and transmission
2				of electric power;
3			(5)	Revenue from payments in lieu of taxes on electricity generated from
4				sources other than coal;
5			(6)	Revenue from the leasing of land acquired by the United States for which
6				compensation is allocated to the state under 33 U.S.C. 701(c)(3);and
7		d	. Ar	amount equal to the total revenue received by the school district during the
8			20	17-18 school year for the following revenue types:
9			(1)	Mobile home tax revenue;
10			(2)	Telecommunications tax revenue; and
11			(3)	Revenue from payments in lieu of taxes and state reimbursement of the
12				homestead credit and disabled veterans credit; and
13		e	. Be	eginning with the 2020-21 school year, the superintendent shall reduce the
14			ba	seline funding for any school district that becomes an elementary district
15			ри	rsuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
16			be	proportional to the number of weighted student units in the grades that are
17			of	fered through another school district relative to the total number of weighted
18			sti	udent units the school district offered in the year before the school district
19			be	came an elementary district. The reduced baseline funding applies to the
20			са	lculation of state aid for the first school year in which the school district
21			be	comes an elementary district and for each year thereafter. For districts that
22			be	come an elementary district prior to the 2020-21 school year, the
23			su	perintendent shall use the reduced baseline funding to calculate state aid for
24			the	e 2020-21 school year and for each year thereafter.
25	2.	a	. Th	ne superintendent shall divide the district's baseline funding determined in
26			su	bsection 1 by the district's 2017-18 weighted student units to determine the
27			dis	strict's baseline funding per weighted student unit.
28		b	. Fo	or any school district that becomes an elementary district pursuant to section
29			15	5.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
30			dis	strict's baseline funding per weighted student unit used to calculate state aid.
31			Tł	ne superintendent shall divide the district's baseline funding determined in

1			subs	ection 1 by the district's weighted student units after the school district
2			beco	mes an elementary district to determine the district's adjusted baseline
3			fundi	ing per weighted student unit. The superintendent shall use the district's
4			adjus	sted baseline funding per weighted student unit in the calculation of state aid
5			for th	ne first school year in which the school district becomes an elementary
6			distri	ict and for each year thereafter.
7		C.	Begi	nning with the 2021-22 school year and for each school year thereafter, the
8			supe	rintendent shall reduce the district's baseline funding per weighted student
9			unit.	Each year the superintendent shall calculate the amount by which the
10			distri	ict's baseline funding per weighted student unit exceeds the payment per
11			weig	hted student unit provided in subsection 3. The superintendent shall reduce
12			the c	listrict's baseline funding per weighted student unit by fifteen percent of the
13			amo	unt by which the district's baseline funding per weighted student unit exceeds
14			the p	payment per weighted student unit for the 2021-22 school year. For each
15			year	thereafter, the reduction percentage is increased by an additional fifteen
16			perc	ent. However, the district's baseline funding per weighted student unit, after
17			the r	eduction, may not be less than the payment per weighted student unit
18			provi	ided in subsection 3.
19	3.	a.	For t	he 2019-202021-22 school year, the superintendent shall calculate state aid
20			as th	e greater of:
21			(1)	The district's weighted student units multiplied by nine thousand eight
22				hundred thirty-nineten thousand one hundred thirty-six dollars;
23			(2)	One hundred onetwo percent of the district's baseline funding per weighted
24				student unit, as established in subsection 2, multiplied by the district's
25				weighted student units, not to exceed the district's 2017-18 baseline
26				weighted student units, plus any weighted student units in excess of the
27				2017-18 baseline weighted student units multiplied by nine thousand eight-
28				hundred thirty-nineten thousand one hundred thirty-six dollars; or
29			(3)	The district's baseline funding as established in subsection 1 less the
30				amount in paragraph 1, with the difference reduced by fifteen percent and
31				then the difference added to the amount determined in paragraph 1.

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

1		student unit, as established in subsection 2, multiplied plus thirty percent of
2		the difference between the rate under paragraph 1 of subdivision b of this
3		subsection and one hundred twenty percent of the district's baseline funding
4		per weighted student unit. The transition maximum is determined by
5		multiplying the transition maximum rate, which may not exceed the rate
6		under paragraph 1 of subdivision b of this subsection, by the district's
7		weighted student units from the previous school year.
8	<u>(3)</u>	For the 2023-24 school year, the transition maximum rate is one hundred
9		twenty percent of the district's baseline funding per weighted student unit,
10		as established in subsection 2, plus forty-five percent of the difference
11		between the rate under paragraph 1 of subdivision b of this subsection and
12		one hundred twenty percent of the district's baseline funding per weighted
13		student unit. The transition maximum is determined by multiplying the
14		transition maximum rate, which may not exceed the rate under paragraph 1
15		of subdivision b of this subsection, by the district's weighted student units
16		from the previous school year.
17	<u>(4)</u>	For the 2024-25 school year, the transition maximum rate is one hundred
18		twenty percent of the district's baseline funding per weighted student unit,
19		as established in subsection 2, plus sixty percent of the difference between
20		the rate under paragraph 1 of subdivision b of this subsection and one
21		hundred twenty percent of the district's baseline funding per weighted
22		student unit. The transition maximum is determined by multiplying the
23		transition maximum rate, which may not exceed the rate under paragraph 1
24		of subdivision b of this subsection, by the district's weighted student units
25		from the previous school year.
26	<u>(5)</u>	For the 2025-26 school year, the transition maximum rate is one hundred
27		twenty percent of the district's baseline funding per weighted student unit,
28		as established in subsection 2, plus seventy-five percent of the difference
29		between the rate under paragraph 1 of subdivision b of this subsection and
30		one hundred twenty percent of the district's baseline funding per weighted
31		student unit. The transition maximum is determined by multiplying the

1				transition maximum rate, which may not exceed the rate under paragraph 1
2				of subdivision b of this subsection, by the district's weighted student units
3				from the previous school year.
4			<u>(6)</u>	For the 2026-27 school year, the transition maximum rate is one hundred
5				twenty percent of the district's baseline funding per weighted student unit,
6				as established in subsection 2, plus ninety percent of the difference
7				between the rate under paragraph 1 of subdivision b of this subsection and
8				one hundred twenty percent of the district's baseline funding per weighted
9				student unit. The transition maximum is determined by multiplying the
10				transition maximum rate, which may not exceed the rate under paragraph 1
11				of subdivision b of this subsection, by the district's weighted student units
12				from the previous school year.
13			(7)	For the 2027-28 school year, the transition maximum rate is one hundred
14				twenty percent of the district's baseline funding per weighted student unit,
15				as established in subsection 2, plus the difference between the rate under
16				paragraph 1 of subdivision b of this subsection and one hundred twenty
17				percent of the district's baseline funding per weighted student unit. The
18				transition maximum is determined by multiplying the transition maximum
19				rate, which may not exceed the rate under paragraph 1 of subdivision b of
20				this subsection, by the district's weighted student units from the previous
21				school year.
22	4.	After	r dete	ermining the product in accordance with subsection 3, the superintendent of
23		publ	ic ins	struction shall:
24		a.	Sub	tract an amount equal to sixty mills multiplied by the taxable valuation of the
25			sch	ool district, except the amount in dollars subtracted for purposes of this
26			sub	division may not exceed the previous year's amount in dollars subtracted for
27			purp	poses of this subdivision by more than twelve percent, adjusted pursuant to
28			sect	tion 15.1-27-04.3; and
29		b.	Sub	tract an amount equal to seventy-five percent of all revenue types listed in
30			sub	divisions c and d of subsection 1. Before determining the deduction for

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- seventy-five percent of all revenue types, the superintendent of public instruction
 shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
- 4 In addition to deducting tuition revenue received specifically for the (a) 5 operation of an educational program provided at a residential 6 treatment facility and tuition revenue received for the provision of an 7 adult farm management program as directed in paragraph 3 of 8 subdivision c of subsection 1, the superintendent of public instruction 9 also shall reduce the total tuition reported by the school district by the 10 amount of tuition revenue received for the education of students not 11 residing in the state and for which the state has not entered a cross-12 border education contract; and
- 13(b)The superintendent of public instruction also shall reduce the total14tuition reported by admitting school districts meeting the requirements15of subdivision e of subsection 2 of section 15.1-29-12 by the amount16of tuition revenue received for the education of students residing in an17adjacent school district.
- 18(2)After adjusting tuition revenue as provided in paragraph 1, the19superintendent shall reduce all remaining revenues from all revenue types20by the percentage of mills levied in 20182020 by the school district for21sinking and interest relative to the total mills levied in 20182020 by the22school district for all purposes.
- 5. 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:

1		a.	The	amount of revenue received by each school district in the county during the
2			prev	vious school year for each type of revenue identified in subdivisions c and d of
3			subs	section 1;
4		b.	The	total number of mills levied in the previous calendar year by each school
5			distr	ict for all purposes; and
6		C.	The	number of mills levied in the previous calendar year by each school district
7			for s	inking and interest fund purposes.
8	Bas	eline	fund	ling - Establishment - Determination of state aid. (Effective after
9	June 30	, 202	25)	
10	1.	То с	letern	nine the amount of state aid payable to each district, the superintendent of
11		pub	lic ins	truction shall establish each district's baseline funding. A district's baseline
12		func	ding c	onsists of:
13		a.	All s	tate aid received by the district in accordance with chapter 15.1-27 during the
14			2018	8-19 school year;
15		b.	An a	amount equal to the property tax deducted by the superintendent of public
16			instr	ruction to determine the 2018-19 state aid payment;
17		C.	An a	amount equal to seventy-five percent of the revenue received by the school
18			distr	ict during the 2017-18 school year for the following revenue types:
19			(1)	Revenue reported under code 2000 of the North Dakota school district
20				financial accounting and reporting manual, as developed by the
21				superintendent of public instruction in accordance with section 15.1-02-08;
22			(2)	Mineral revenue received by the school district through direct allocation from
23				the state treasurer and not reported under code 2000 of the North Dakota
24				school district financial accounting and reporting manual, as developed by
25				the superintendent of public instruction in accordance with section
26				15.1-02-08;
27			(3)	Tuition reported under code 1300 of the North Dakota school district
28				financial accounting and reporting manual, as developed by the
29				superintendent of public instruction in accordance with section 15.1-02-08,
30				with the exception of revenue received specifically for the operation of an

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1			educational program provided at a residential treatment facility and tuition
2			received for the provision of an adult farm management program;
3			(4) Revenue from payments in lieu of taxes on the distribution and transmission
4			of electric power;
5			(5) Revenue from payments in lieu of taxes on electricity generated from
6			sources other than coal;
7			(6) Revenue from the leasing of land acquired by the United States for which
8			compensation is allocated to the state under 33 U.S.C. 701(c)(3);and
9		d.	An amount equal to the total revenue received by the school district during the
10			2017-18 school year for the following revenue types:
11			(1) Mobile home tax revenue;
12			(2) Telecommunications tax revenue; and
13			(3) Revenue from payments in lieu of taxes and state reimbursement of the
14			homestead credit and disabled veterans credit.
15		e.	Beginning with the 2020-21 school year, the superintendent shall reduce the
16			baseline funding for any school district that becomes an elementary district
17			pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
18			be proportional to the number of weighted student units in the grades that are
19			offered through another school district relative to the total number of weighted
20			student units the school district offered in the year before the school district
21			became an elementary district. The reduced baseline funding applies to the
22			calculation of state aid for the first school year in which the school district
23			becomes an elementary district and for each year thereafter. For districts that
24			become an elementary district prior to the 2020-21 school year, the
25			superintendent shall use the reduced baseline funding to calculate state aid for
26			the 2020-21 school year and for each year thereafter.
27	2.	a.	The superintendent shall divide the district's baseline funding determined in
28			subsection 1 by the district's 2017-18 weighted student units to determine the
29			district's baseline funding per weighted student unit.
30		b.	For any school district that becomes an elementary district pursuant to section
31			15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the

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1 district's baseline funding per weighted student unit used to calculate state aid. 2 The superintendent shall divide the district's baseline funding determined in 3 subsection 1 by the district's weighted student units after the school district 4 becomes an elementary district to determine the district's adjusted baseline 5 funding per weighted student unit. The superintendent shall use the district's 6 adjusted baseline funding per weighted student unit in the calculation of state aid 7 for the first school year in which the school district becomes an elementary 8 district and for each year thereafter.

- 9 Beginning with the 2021-22 school year and for each school year thereafter, the C. 10 superintendent shall reduce the district's baseline funding per weighted student 11 unit. Each year the superintendent shall calculate the amount by which the 12 district's baseline funding per weighted student unit exceeds the payment per 13 weighted student unit provided in subsection 3. The superintendent shall reduce 14 the district's baseline funding per weighted student unit by fifteen percent of the 15 amount by which the district's baseline funding per weighted student unit exceeds 16 the payment per weighted student unit for the 2021-22 school year. For each 17 year thereafter, the reduction percentage is increased by an additional fifteen 18 percent. However, the district's baseline funding per weighted student unit, after 19 the reduction, may not be less than the payment per weighted student unit 20 provided in subsection 3.
- 3. a. For the 2019-202021-22 school year, the superintendent shall calculate state aid
 as the greater of:
 - The district's weighted student units multiplied by nine thousand eight hundred thirty-nineten thousand one hundred thirty-six dollars;
- 25 (2) One hundred one two percent of the district's baseline funding per weighted
 26 student unit, as established in subsection 2, multiplied by the district's
 27 weighted student units, not to exceed the district's 2017-18 baseline
 28 weighted student units, plus any weighted student units in excess of the
 29 2017-18 baseline weighted student units multiplied by nine thousand eight30 hundred thirty-nineten thousand one hundred thirty-six dollars; or

1		(3)	The district's baseline funding as established in subsection 1 less the
2			amount in paragraph 1, with the difference reduced by fifteen percent and
3			then the difference added to the amount determined in paragraph 1.
4	b.	For	the 2020-212022-23 school year and each school year thereafter, the
5		sup	erintendent shall calculate state aid as the greater of:
6		(1)	The district's weighted student units multiplied by ten thousand thirty-sixtwo
7			hundred thirty-seven dollars;
8		(2)	One hundred two percent of the district's baseline funding per weighted
9			student unit, as established in subsection 2, multiplied by the district's
10			weighted student units, not to exceed the district's 2017-18 baseline
11			weighted student units, plus any weighted student units in excess of the
12			2017-18 baseline weighted student units multiplied by ten thousand
13			thirty-sixtwo hundred thirty-seven dollars; or
14		(3)	The district's baseline funding as established in subsection 1 less the
15			amount in paragraph 1, with the difference reduced by fifteenthirty percent
16			for the 2021-222022-23 school year and the reduction percentage
17			increasing by fifteen percent each school year thereafter until the difference
18			is reduced to zero, and then the difference added to the amount determined
19			in paragraph 1.
20	C.	The	e superintendent also shall adjust state aid determined in this subsection to
21		<u>ens</u>	sure the amount does not exceed the transition maximum as follows:
22		(1)	For the 2019-202021-22 school year, to ensure the amount does not
23			exceedthe transition maximum rate is one hundred five fifteen percent of the
24			district's baseline funding per weighted student unit, as established in
25			subsection 2, multiplied plus fifteen percent of the difference between the
26			rate under paragraph 1 of subdivision a of this subsection and one hundred
27			fifteen percent of the district's baseline funding per weighted student unit.
28			The transition maximum is determined by multiplying the transition
29			maximum rate, which may not exceed the rate under paragraph 1 of
30			subdivision a of this subsection, by the district's weighted student units from
31			the previous school year.

1	(2)	For the 2020-212022-23 school year and each school year thereafter, to-
2		ensure the amount does not exceed the transition maximum rate is one
3		hundred tentwenty percent of the district's baseline funding per weighted
4		student unit, as established in subsection 2, multipliedplus thirty percent of
5		the difference between the rate under paragraph 1 of subdivision b of this
6		subsection and one hundred twenty percent of the district's baseline funding
7		per weighted student unit. The transition maximum is determined by
8		multiplying the transition maximum rate, which may not exceed the rate
9		under paragraph 1 of subdivision b of this subsection, by the district's
10		weighted student units from the previous school year.
11	<u>(3)</u>	For the 2023-24 school year, the transition maximum rate is one hundred
12		twenty percent of the district's baseline funding per weighted student unit,
13		as established in subsection 2, plus forty-five percent of the difference
14		between the rate under paragraph 1 of subdivision b of this subsection and
15		one hundred twenty percent of the district's baseline funding per weighted
16		student unit. The transition maximum is determined by multiplying the
17		transition maximum rate, which may not exceed the rate under paragraph 1
18		of subdivision b of this subsection, by the district's weighted student units
19		from the previous school year.
20	<u>(4)</u>	For the 2024-25 school year, the transition maximum rate is one hundred
21		twenty percent of the district's baseline funding per weighted student unit,
22		as established in subsection 2, plus sixty percent of the difference between
23		the rate under paragraph 1 of subdivision b of this subsection and one
24		hundred twenty percent of the district's baseline funding per weighted
25		student unit. The transition maximum is determined by multiplying the
26		transition maximum rate, which may not exceed the rate under paragraph 1
27		of subdivision b of this subsection, by the district's weighted student units
28		from the previous school year.
29	<u>(5)</u>	For the 2025-26 school year, the transition maximum rate is one hundred
30		twenty percent of the district's baseline funding per weighted student unit,
31		as established in subsection 2, plus seventy-five percent of the difference

1				between the rate under paragraph 1 of subdivision b of this subsection and
2				one hundred twenty percent of the district's baseline funding per weighted
3				student unit. The transition maximum is determined by multiplying the
4				transition maximum rate, which may not exceed the rate under paragraph 1
5				of subdivision b of this subsection, by the district's weighted student units
6				from the previous school year.
7			<u>(6)</u>	For the 2026-27 school year, the transition maximum rate is one hundred
8				twenty percent of the district's baseline funding per weighted student unit,
9				as established in subsection 2, plus ninety percent of the difference
10				between the rate under paragraph 1 of subdivision b of this subsection and
11				one hundred twenty percent of the district's baseline funding per weighted
12				student unit. The transition maximum is determined by multiplying the
13				transition maximum rate, which may not exceed the rate under paragraph 1
14				of subdivision b of this subsection, by the district's weighted student units
15				from the previous school year.
16			(7)	For the 2027-28 school year, the transition maximum rate is one hundred
17				twenty percent of the district's baseline funding per weighted student unit,
18				as established in subsection 2, plus the difference between the rate under
19				paragraph 1 of subdivision b of this subsection and one hundred twenty
20				percent of the district's baseline funding per weighted student unit. The
21				transition maximum is determined by multiplying the transition maximum
22				rate, which may not exceed the rate under paragraph 1 of subdivision b of
23				this subsection, by the district's weighted student units from the previous
24				school year.
25	4.	Afte	er det	ermining the product in accordance with subsection 3, the superintendent of
26		pub	lic ins	struction shall:
27		a.	Sub	tract an amount equal to sixty mills multiplied by the taxable valuation of the
28			sch	ool district; and
29		b.	Sub	tract an amount equal to seventy-five percent of all revenue types listed in
30			sub	divisions c and d of subsection 1. Before determining the deduction for

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- seventy-five percent of all revenue types, the superintendent of public instruction
 shall adjust revenues as follows:
 - (1) Tuition revenue shall be adjusted as follows:
- 4 In addition to deducting tuition revenue received specifically for the (a) 5 operation of an educational program provided at a residential 6 treatment facility and tuition revenue received for the provision of an 7 adult farm management program as directed in paragraph 3 of 8 subdivision c of subsection 1, the superintendent of public instruction 9 also shall reduce the total tuition reported by the school district by the 10 amount of tuition revenue received for the education of students not 11 residing in the state and for which the state has not entered a cross-12 border education contract; and
- 13(b)The superintendent of public instruction also shall reduce the total14tuition reported by admitting school districts meeting the requirements15of subdivision e of subsection 2 of section 15.1-29-12 by the amount16of tuition revenue received for the education of students residing in an17adjacent school district.
- 18(2)After adjusting tuition revenue as provided in paragraph 1, the19superintendent shall reduce all remaining revenues from all revenue types20by the percentage of mills levied in 20182020 by the school district for21sinking and interest relative to the total mills levied in 20182020 by the22school district for all purposes.
- 5. 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:

1		a.	The amount of revenue received by each school district in the county during the
2			previous school year for each type of revenue identified in subdivisions c and d of
3			subsection 1;
4		b.	The total number of mills levied in the previous calendar year by each school
5			district for all purposes; and
6		C.	The number of mills levied in the previous calendar year by each school district
7			for sinking and interest fund purposes.
8	SEC	СТІО	N 13. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is
9	amende	d an	d reenacted as follows:
10	15.1	I-27-	35. Average daily membership - Calculation.
11	1.	Ave	erage daily membership is calculated at the conclusion of the school year by adding
12		the	total number of hours that each student in a given grade, school, or school district
13		is ir	n attendance at the school's physical plant during a school calendar and the total
14		nun	nber of hours that each student in a given grade, school, or school district is absent
15		dur	ing a school calendar, and then dividing the sum by:
16		a.	Nine hundred sixty-two and one-half hours for elementary school students; or
17		b.	One thousand fifty hours for middle and high school students.
18	2.	For	purposes of calculating average daily membership:
19		a.	A student enrolled full time in any grade from one through twelve may not exceed
20			an average daily membership of 1.00. The membership may be prorated for a
21			student who is enrolled less than full time.
22		b.	A student enrolled full time in an approved regular education kindergarten
23			program may not exceed an average daily membership of 1.00. The membership
24			may be prorated for a student who is enrolled less than full time.
25		C.	A student enrolled full time, as defined by the superintendent of public instruction,
26			in an approved early childhood special education program may not exceed an
27			average daily membership of 1.00. The membership may be prorated for a
28			student who is enrolled less than full time.
29		<u>d.</u>	A student enrolled full time in virtual instruction is calculated at an average daily
30			membership of 1.00. The membership may be prorated for a student who is
31			enrolled less than full time.

1	SECTION 14. AMENDMENT. Section 15.1-31-07 of the North Dakota Century Code is			
2	amended and reenacted as follows:			
3	15.1-31-07. Students not subject to this chapter.			
4	<u>1.</u>	<u>1.</u> If a student, as a result of a school district dissolution or reorganization, resides in a		
5		dist	rict other than the one the student chooses to attend at the time of the dissolution	
6		or r	eorganization, the student is not subject to this chapter and may attend school in	
7		the	chosen school district.	
8	<u>2.</u>	If a student resides in a district other than the one the student is enrolled in for		
9		pur	poses of receiving virtual instruction, the student is not subject to this chapter	
10		unle	ess a cost-sharing agreement is established between the school district of	
11		<u>resi</u>	dence and the receiving district.	
12	SEC	SECTION 15. LEGISLATIVE MANAGEMENT STUDY - TRANSITION MINIMUM		
13	REDUCTION.			
14	1.	During the 2021-22 interim, the legislative management shall consider studying		
15		kindergarten through grade twelve school funding, including transition minimum		
16		reduction impacts to reorganized and consolidated school districts. The study must		
17		include:		
18		a.	A review of school districts that have multiple buildings in the district and districts	
19			that have built a new building without using traditional bonding methods as a	
20			result of a multidistrict reorganization;	
21		b.	An analysis of high-cost students, including students who are high cost due to	
22			special education needs, medical reasons, agency placements, or any other	
23			reasons that increase the cost to educate the students beyond the state	
24			threshold;	
25		C.	An ongoing review of the impacts of school districts that are off of the funding	
26			formula as they transition onto the formula;	
27		d.	An analysis of human resource allocation and the duties and needs in elementary	
28			and secondary school buildings with a targeted focus on student academic	
29			health, behavioral health, and social and emotional health; and	
30		e.	A review of student performance data relevant to students participating in virtual	
31			learning.	

- 1 2. The legislative management shall report its findings and recommendations, together
- 2 with any legislation required to implement the recommendations to the sixty-eighth
- 3 legislative assembly.
- 4 **SECTION 16. EFFECTIVE DATE.** Section 8 of this Act becomes effective on July 1, 2022.