

Sixty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2272

Introduced by

Senators Schaible, Rust

Representatives Monson, Nathe, Owens

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

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

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

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

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

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

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

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

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

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

- 1           **b.** The term of the loan is twenty years, unless the board of the school district  
2           requests a shorter term in the written loan application; and
- 3           **c.** The interest rate of the loan may not exceed two percent per year.
- 4    9-5. a. If a school district seeking a loan under this section received an allocation of the  
5           oil and gas gross production tax during the previous fiscal year in accordance  
6           with chapter 57-51, the board of the district shall provide to the board of  
7           university and school lands, and to the state treasurer, its evidence of  
8           indebtedness indicating that the loan originated under this section.
- 9           b. If the evidence of indebtedness is payable solely from the school district's  
10          allocation of the oil and gas gross production tax in accordance with section  
11          57-51-15, the loan does not constitute a general obligation of the school district  
12          and may not be considered a debt of the district.
- 13          c. If a loan made to a school district is payable solely from the district's allocation of  
14          the oil and gas gross production tax in accordance with section 57-51-15, the  
15          terms of the loan must require that the state treasurer withhold the dollar amount  
16          or percentage specified in the loan agreement, from each of the district's oil and  
17          gas gross production tax allocations, in order to repay the principal and interest of  
18          the evidence of indebtedness. The state treasurer shall deposit the amount  
19          withheld into the fund from which the loan originated.
- 20          d. Any evidence of indebtedness executed by the board of a school district under  
21          this subsection is a negotiable instrument and not subject to taxation by the state  
22          or any political subdivision of the state.
- 23    10-6. For purposes of this section, a "construction project" means the purchase, lease,  
24           erection, or improvement of any structure or facility by a school board, provided the  
25           acquisition or activity is within a school board's authority.

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

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

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

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

- 4 2. To be eligible for a loan under this section, the board of a school district shall:
- 5 a. Propose a new construction or remodeling project with a cost of at least  
6 one million dollars and an expected utilization of at least thirty years;
- 7 b. Obtain the approval of the superintendent of public instruction for the project  
8 under section 15.1-36-01;
- 9 c. (1) Request from the tax commissioner a statement of the estimated tax  
10 increase, in mills and dollars, which would be applicable to a residential  
11 parcel of average true and full value within the county in which the school  
12 district is headquartered, if a loan under this section and any associated  
13 school construction bond issue were to be authorized in accordance with  
14 chapter 21-03;
- 15 (2) Request from the tax commissioner a statement of the estimated tax  
16 increase, in mills and dollars, which would be applicable to an acre of  
17 cropland and to an acre of noncropland, of average true and full value within  
18 the county in which the school district is headquartered, if a loan under this  
19 section and any associated school construction bond issue were to be  
20 authorized in accordance with chapter 21-03;
- 21 (3) Publish in the official newspaper of the district the information from the  
22 statements required by this subdivision with the notice of the election to  
23 authorize the school construction bond issuance in accordance with section  
24 21-03-12; and
- 25 (4) Post on the school district's website the information from the statements  
26 preceding the date of the election to authorize the school construction bond  
27 issuance in accordance with chapter 21-03;
- 28 d. Receive authorization for a bond issue in accordance with chapter 21-03; and  
29 e. Submit a completed application to the Bank of North Dakota.
- 30 3. With the advice and consent of the superintendent of public instruction, the Bank of  
31 North Dakota shall award the loans in accordance with a prioritization system that is

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

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

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

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

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

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

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

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

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

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

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

- 1           b. ~~One hundred fifty million dollars from the strategic investment and improvements~~  
2           ~~fund, which had been allocated by the sixty-third legislative assembly for school~~  
3           ~~construction loans in accordance with section 15.1-36-02; and~~
- 4           e. ~~All, all~~ interest or other earnings of the fund, and all repayments of loans made  
5           from the fund.
- 6           2. ~~Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of~~  
7           ~~principal and interest~~ are appropriated to the Bank of North Dakota on a continuing  
8           basis for the purpose of providing low-interest school construction loans and for paying  
9           administrative costs, in accordance with this ~~chapter~~section.
- 10          3. To be eligible for a loan under this section, the board of a school district shall:
- 11           a. Propose a new construction or remodeling project with a cost of at least  
12           one million dollars and an expected utilization of at least thirty years;
- 13           b. Obtain the approval of the superintendent of public instruction for the project  
14           under section 15.1-36-01;
- 15           c. (1) Publish in the official newspaper of the district the information regarding the  
16           proposed estimated additional millage and the dollar increase per one  
17           thousand dollars of taxable valuation in accordance with section 21-03-13  
18           along with the notice of the election to authorize the school construction  
19           bond issuance in accordance with section 21-03-12; and
- 20           (2) Post the information on the school district's website preceding the date of  
21           the election to authorize the school construction bond issuance in  
22           accordance with chapter 21-03;
- 23           d. Receive authorization for a bond issue in accordance with chapter 21-03; and
- 24           e. Submit a completed application to the Bank of North Dakota.
- 25          4. The superintendent of public instruction shall review loan applications based on a  
26           prioritization system that includes a review of all applications filed during the  
27           twelve-month period preceding April first and gives consideration to:
- 28           a. Student occupancy and academic needs in the district;
- 29           b. The age of existing structures to be replaced or remodeled;
- 30           c. Building design proposals that are based on safety and vulnerability  
31           assessments;



- 1           d. Community support;  
2           e. Cost; and  
3           f. Any other criteria established by the superintendent of public instruction, after  
4             consultation with an interim committee appointed by the legislative management.  
5        5. If the superintendent of public instruction approves the loan, the Bank of North Dakota  
6        shall issue a loan from the school construction assistance revolving loan fund. For a  
7        loan made under this section:  
8           a. The maximum loan amount for which a school district may qualify is ten million  
9             dollars. However, if a school district's unobligated general fund balance on the  
10            preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the  
11            loan amount under this section may not exceed eighty percent of the project's  
12            cost;  
13           b. The term of the loan is twenty years, unless the board of the school district  
14             requests a shorter term in the written loan application; and  
15           c. The interest rate of the loan may not exceed two percent per year.  
16        6. The Bank may adopt policies and establish guidelines to administer this loan program  
17        in accordance with this section. The Bank of North Dakota may use a portion of the  
18        interest paid on the outstanding loans as a servicing fee to pay for administration costs  
19        which may not exceed one-half of one percent of the amount of the interest payment.  
20        The Bank of North Dakota shall deposit principal and interest payments made by  
21        school districts for loans under this section in the school construction assistance  
22        revolving loan fund. The Bank of North Dakota shall arrange for the conduct of an  
23        annual audit of the school construction assistance revolving loan fund, the cost of  
24        which must be paid from the fund and which must be conducted by an independent  
25        accounting firm.

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

- 28        7. The governing body of any public school district may also by resolution adopted by a  
29        two-thirds vote dedicate the tax levies as authorized by section 15.1-09-47,  
30        15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be  
31        paid by these dedicated levies for the purpose of providing funds for the purchase,

1 construction, reconstruction, or repair of public school buildings or for the construction  
2 or improvement of a project under section 15.1-36-02 or ~~15.1-36-03~~15.1-36-08. The  
3 initial resolution authorizing the tax levy dedication and general obligation bonds must  
4 be published in the official newspaper of the school district, and any owner of taxable  
5 property within the school district may, within sixty days after publication, file with the  
6 business manager of the school district a protest against the adoption of the  
7 resolution. Protests must be in writing and must describe the property that is the  
8 subject of the protest. If the governing body finds the protests to have been signed by  
9 the owners of taxable property having an assessed valuation equal to five percent or  
10 more of the assessed valuation of all taxable property within the school district, as  
11 theretofore last finally equalized, all further proceedings under the initial resolution are  
12 barred.

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

15 **54-44.1-12. Control over rate of expenditures.**

- 16 1. The director of the budget shall exercise continual control over the execution of the  
17 budget affecting the departments and agencies of state government, with the  
18 exception of the legislative and judicial branches. Execution means the analysis and  
19 approval of all commitments for conformity with the program provided in the budget,  
20 frequent comparison of actual revenues and budget estimates, and on the basis of  
21 these analyses and comparisons control the rate of expenditures through a system of  
22 allotments. The allotment must be made by specific fund and all departments and  
23 agencies that receive moneys from that fund must be allotted on a uniform percentage  
24 basis, except that general fund appropriations to the department of public instruction  
25 for state school aid, transportation aid, and special education aid and general fund  
26 appropriations to the department of career and technical education for grants to school  
27 districts may ~~only~~ be allotted only to the extent that the allotment can be offset by  
28 transfers from the foundation aid stabilization fund as follows:
- 29 a. The first two and one-half percent allotment from the general fund must be offset  
30 with a transfer from the foundation aid stabilization fund.

- 1           b. Any general fund allotment in excess of two and one-half percent that is  
2           necessary, after all moneys available in the budget stabilization fund have been  
3           transferred to the general fund under section 54-27.2-03, may be offset with a  
4           transfer from the foundation aid stabilization fund.
- 5           2. Before an allotment is made which will reduce the amount of funds which can be  
6           disbursed pursuant to an appropriation or before an allotment disallowing a specific  
7           expenditure is made, the director shall find one or more of the following circumstances  
8           to exist:
- 9           a. The moneys and estimated revenues in a specific fund from which the  
10           appropriation is made are insufficient to meet all legislative appropriations from  
11           the fund.
- 12           b. The payment or the obligation incurred is not authorized by law.
- 13           c. The expenditure or obligation is contrary to legislative intent as recorded in any  
14           reliable legislative records, including:
- 15           (1) Statements of legislative intent expressed in enacted appropriation  
16           measures or other measures enacted by the legislative assembly; and
- 17           (2) Statements of purpose of amendment explaining amendments to enacted  
18           appropriation measures, as recorded in the journals of the legislative  
19           assembly.
- 20           d. Circumstances or availability of facts not previously known or foreseen by the  
21           legislative assembly which make possible the accomplishment of the purpose of  
22           the appropriation at a lesser amount than that appropriated.

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

25           **Definitions for the foundation aid stabilization fund - Uses of the foundation aid**  
26           **stabilization fund.**

- 27           1. For the purposes of section 24 of article X of the Constitution of North Dakota:
- 28           a. "Education-related purposes" means purposes related to public elementary and  
29           secondary education.
- 30           b. "State aid to school districts" means:

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

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

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

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

12        1. Thirty percent must be deposited in a permanent trust fund in the state treasury, to be  
13        known as the coal development trust fund, pursuant to section 21 of article X of the  
14        Constitution of North Dakota. Those funds held in trust and administered by the board  
15        of university and school lands on March 5, 1981, pursuant to section 12, chapter 563,  
16        1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,  
17        chapter 626, 1979 Session Laws must also be deposited in the trust fund created  
18        pursuant to this subsection. The fund must be held in trust and administered by the  
19        board of university and school lands for loans to coal-impacted counties, cities, and  
20        school districts as provided in section 57-62-03 and for loans to school districts  
21        pursuant to chapter 15.1-36. The board of university and school lands may invest such  
22        funds as are not loaned out as provided in this chapter and may consult with the state  
23        investment board as provided by law. The income, including interest payments on  
24        loans, from the trust must be used first to replace uncollectible loans made from the  
25        fund and the balance must be deposited in the ~~school construction assistance-~~  
26        ~~loan~~general fund. Loan principal payments must be redeposited in the trust fund. The  
27        trust fund must be perpetual and held in trust as a replacement for depleted natural  
28        resources subject to the provisions of this chapter and chapter 15.1-36.

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

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

2       **SECTION 11. CONTINGENT TRANSFERS - SCHOOL CONSTRUCTION ASSISTANCE**  
3 **LOAN FUND TO FOUNDATION AID STABILIZATION FUND - SCHOLARSHIP ENDOWMENT**

4 **FUND TO FOUNDATION AID STABILIZATION FUND.** If the office of management and budget  
5 transfers any amounts from the foundation aid stabilization fund to the school construction loan  
6 assistance fund or the scholarship endowment fund between December 1, 2016, and the  
7 effective date of this Act related to sections 9 and 10 of chapter 153 of the 2015 Session Laws,  
8 the office of management and budget shall transfer the amounts back to the foundation aid  
9 stabilization fund during the period beginning with the effective date of this Act, and ending  
10 June 30, 2017.

11       **SECTION 12. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND**  
12 **IMPROVEMENTS FUND TO SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN**

13 **FUND.** If the board of university and school lands has not transferred the \$150,000,000  
14 referenced in subdivision b of subsection 1 of section 15.1-36-08 as in effect on January 1,  
15 2017, from the strategic investment and improvements fund to the school construction  
16 assistance revolving loan fund, the board of university and school lands shall transfer  
17 \$150,000,000, including any outstanding loans issued pursuant to subdivision b of subsection 1  
18 of section 15.1-36-02 as in effect on January 1, 2017, to the school construction assistance  
19 revolving loan fund during the period beginning with the effective date of this Act, and ending  
20 June 30, 2017.

21       **SECTION 13. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**  
22 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and  
23 budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the  
24 school construction assistance revolving loan fund during the period beginning with the effective  
25 date of this Act, and ending June 30, 2019. Of the \$75,000,000 transferred to the school  
26 construction assistance revolving loan fund, up to \$50,000,000 must be used to repay the Bank  
27 of North Dakota for the outstanding principal balance on a portion of the loans issued under  
28 section 15.1-36-06 for the purpose of transferring a portion of the loans issued under section  
29 15.1-36-06 from the Bank of North Dakota to the school construction assistance revolving loan  
30 fund. The remaining amount transferred to the school construction assistance revolving loan  
31 fund is available for new school construction loans.

1       **SECTION 14. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL**  
2 **EDUCATION - FOUNDATION AID STABILIZATION FUND.** There is appropriated out of any  
3 moneys in the foundation aid stabilization fund in the state treasury, not otherwise appropriated,  
4 the sum of \$2,477,000, or so much of the sum as may be necessary, to the department of  
5 career and technical education for the purpose of providing grants to school districts and area  
6 centers, for the biennium beginning July 1, 2017, and ending June 30, 2019.

7       **SECTION 15. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION -**  
8 **FOUNDATION AID STABILIZATION FUND - ONE-TIME FUNDING.** There is appropriated out  
9 of any moneys in the foundation aid stabilization fund in the state treasury, not otherwise  
10 appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the  
11 department of public instruction for the purpose of providing rapid enrollment grants to school  
12 districts, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding  
13 provided in this section is considered a one-time funding item. The superintendent of public  
14 instruction shall award rapid enrollment grants to eligible districts based on the following criteria:

- 15       1. A district is eligible to receive a grant under this section if the number of students  
16       reflected in the district's September tenth enrollment report exceeds the number of  
17       students in the prior year September tenth enrollment report as follows:
  - 18           a. For Tier 1 funding, the increase must be at least four percent or one hundred fifty  
19           students and must be at least twenty students; or
  - 20           b. For Tier 2 funding, the increase must be at least two percent or seventy-five  
21           students and must be at least ten students.
- 22       2. The superintendent of public instruction shall calculate the amount to which an eligible  
23       district is entitled as follows:
  - 24           a. Determine the actual percentage increase in the number of students and subtract  
25           two from the percentage calculated;
  - 26           b. Determine the number of students represented by the difference determined in  
27           subdivision a of this subsection;
  - 28           c. Multiply the number of students determined in subdivision b of this subsection by:
    - 29               (1) \$4,000 for Tier 1 funding; or
    - 30               (2) \$2,000 for Tier 2 funding.

- 1           3.    If the amount of the appropriation provided for in this section is insufficient to meet the
- 2                   obligations of this subsection, the superintendent of public instruction shall prorate the
- 3                   payment based on the percentage of the total amount to which each school district is
- 4                   entitled.
- 5           4.    The superintendent of public instruction may not expend more than fifty percent of the
- 6                   funds available under this section during the first year of the biennium.
- 7           5.    Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not
- 8                   eligible to receive a grant under this section.

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

10 **FOUNDATION AID STABILIZATION FUND - ONE-TIME FUNDING.** There is appropriated out

11 of any moneys in the foundation aid stabilization fund in the state treasury, not otherwise

12 appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the

13 department of public instruction for the purpose of providing English language learner grants to

14 school districts, for the biennium beginning July 1, 2017, and ending June 30, 2019. The

15 funding provided in this section is considered a one-time funding item. The superintendent of

16 public instruction shall award grants to the four school districts that serve the largest number of

17 first, second, and third level English language learners in kindergarten through grade twelve

18 based on the following criteria:

- 19           1.    The WIDA test.
- 20           2.    To determine the amount that a school district may receive under this subsection, the
- 21                   superintendent of public instruction shall provide a pro rata share of the available grant
- 22                   dollars to each eligible district based upon the total number of first, second, and third
- 23                   level English language learners enrolled in the four districts.
- 24           3.    A district may expend moneys received under this section only for the purpose of
- 25                   enhancing services to first, second, and third level English language learners.
- 26                   Permissible purposes include the hiring of additional teachers, interpreters, and social
- 27                   workers for first and second level English language learners and the provision of other
- 28                   ancillary support services and programs, approved by the superintendent of public
- 29                   instruction.
- 30           4.    The superintendent of public instruction may not award more than fifty percent of the
- 31                   funds available under this section during the first year of the biennium.

- 1        **SECTION 17. EFFECTIVE DATE.** Section 10 of this Act becomes effective July 1, 2023.
- 2        **SECTION 18. EMERGENCY.** Sections 4, 5, 8, 9, 11, and 12 of this Act are declared to be
- 3 an emergency measure.