

Sixty-seventh  
Legislative Assembly  
of North Dakota

## 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 ~~sections~~ section 15.1-01-04, subsection 4 of section 15.1-06-04, subdivision e of  
 6 subsection 1 of section 15.1-06-06, section 15.1-06-13, subsection 2 of section 15.1-09.1-02.1,  
 7 and sections 15.1-20-01, 15.1-27-03.2, and 15.1-27-04.1, 15.1-27-35, and 15.1-31-07 of the  
 8 North Dakota Century Code, relating to membership of the kindergarten through grade twelve  
 9 education coordination council, adjustments to school district size weighting factors, ~~and~~ the  
 10 education foundation aid funding formula transition maximum and payment rates, student  
 11 attendance and enrollment, school approval, school compliance, regional education association  
 12 services, average daily membership, and school calendars; to provide for a legislative  
 13 management study; to provide a legislative management report; and to provide an  
 14 appropriation; and to provide an effective date.

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

16 **SECTION 1. AMENDMENT.** Section 15.1-01-04 of the North Dakota Century Code is  
 17 amended and reenacted as follows:

18 **15.1-01-04. Kindergarten through grade twelve education coordination council.**

- 19 1. The state board of public school education shall oversee the creation and ongoing  
 20 operation of the kindergarten through grade twelve education coordination council.  
 21 2. The council consists of:  
 22 a. Three members of the legislative assembly, one member of the majority party  
 23 from each chamber of the legislative assembly, selected by the respective

- 1 majority leader of the chamber, and one member of the minority party selected  
2 through collaboration between the respective minority leaders of each chamber;
- 3 b. The governor or the governor's designee;
- 4 c. The superintendent of public instruction or the superintendent's designee;
- 5 d. The president of the state board for career and technical education or the  
6 president's designee;
- 7 e. The president of the board of the North Dakota council of educational leaders or  
8 the president's designee;
- 9 f. The president of the board of North Dakota united or the president's designee;
- 10 g. The president of the board of the North Dakota school boards association or the  
11 president's designee;
- 12 h. The president of the board of the North Dakota small organized schools or the  
13 president's designee;
- 14 i. The president of the board of the North Dakota school counselor association or  
15 the president's designee; and
- 16 j. The president of the North Dakota special education study council or the  
17 president's designee;
- 18 k. The president of the North Dakota regional education association or the  
19 president's designee; and
- 20 l. The following gubernatorial appointees:
- 21 (1) An individual representing the statewide longitudinal data system  
22 committee;
- 23 (2) An individual representing a tribal school; ~~and~~
- 24 (3) ~~An individual employed as a public school administrator;~~
- 25 (4) An individual employed as a public school principal; and
- 26 (5)(4) An individual employed as a public school teacher;
- 27 (6) ~~A director of a special education unit; and~~
- 28 (7) ~~A director of a regional education association.~~
- 29 3. The term of office for a member appointed by the governor is four years. The governor  
30 may stagger the initial appointments to the council so no more than three members'  
31 terms expire in any year.

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

1 parties with seamless access to state entities that deliver education services and  
2 programs.

3 h. Develop and utilize subcommittees as needed.

4 i. Seek advice and input from interested parties not appointed to the council as  
5 needed.

6 8. The council shall meet at least four times per calendar year.

7 9. The council shall prepare and present an annual report of council activities to the state  
8 board of public school education and to the legislative management.

9 **SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota  
10 Century Code is amended and reenacted as follows:

11 4. For purposes of this section, a full day of instruction at a physical school plant consists  
12 of:

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

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

18 **SECTION 3.** A new subsection to section 15.1-06-04 of the North Dakota Century Code is  
19 created and enacted as follows:

20 If a school district intends to provide virtual instruction, the instruction must comply  
21 with the requirements under subsection 4. The attendance of students participating in  
22 virtual instruction must be verified by monitoring the student's progress on academic  
23 pacing guides developed by the school district to ensure students are in attendance  
24 and receiving sufficient curricular instruction, as defined in rules adopted by the  
25 superintendent of public instruction.

26 **SECTION 4. AMENDMENT.** Subdivision e of subsection 1 of section 15.1-06-06 of the  
27 North Dakota Century Code is amended and reenacted as follows:

28 e. The physical school plant has been inspected by the state fire marshal or the  
29 state fire marshal's designee in accordance with section 15.1-06-09 and:

30 (1) Has no unremedied deficiency; or

- 1                   (2) Has deficiencies that have been addressed in a plan of correction which  
2                   was submitted to and approved by the state fire marshal or the state fire  
3                   marshal's designee;

4           **SECTION 5. AMENDMENT.** Section 15.1-06-13 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **15.1-06-13. Schools - Compliance with health, safety, and sanitation requirements.**

7           The superintendent of each school district shall ensure that the ~~schools~~physical school  
8 plants in the district comply with all health, safety, and sanitation requirements.

9           **SECTION 6.** A new section to chapter 15.1-07 of the North Dakota Century Code is created  
10 and enacted as follows:

11           **School districts - Policy - Virtual learning - Report to legislative management.**

12           The board of a school district or governing board of a nonpublic school that operates a  
13 physical school plant may adopt a policy to allow students to engage in virtual instruction and  
14 qualify for average daily membership in the district. The superintendent of public instruction  
15 shall adopt rules governing policies under this section. A policy adopted by a school district  
16 under this section must comply with the rules adopted by the superintendent of public  
17 instruction. The superintendent of public instruction shall provide biennial reports to the  
18 legislative management regarding the academic performance metrics of students participating  
19 in virtual instruction under this section.

20           **SECTION 7. AMENDMENT.** Subsection 2 of section 15.1-09.1-02.1 of the North Dakota  
21 Century Code is amended and reenacted as follows:

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

24           **SECTION 8.** A new section to chapter 15.1-13 of the North Dakota Century Code is created  
25 and enacted as follows:

26           **Teaching license - Reading instruction competency.**

- 27           1. The board shall ensure a candidate for teacher licensure demonstrates competencies  
28 in beginning reading instruction based on scientifically and research-based best  
29 practices. Competencies must include the acquisition of knowledge of the essential  
30 components of beginning reading instruction, including:

- 31           a. Phonemic awareness;

1 b. Phonics;

2 c. Fluency;

3 d. Vocabulary;

4 e. Comprehension;

5 f. How to assess student reading ability; and

6 g. How to identify and correct reading difficulties.

7 2. A prekindergarten, kindergarten, elementary, and special education initial teacher  
8 licensure candidate must complete at least nine semester hours of reading which  
9 include a focus on the components under subsection 1.

10 3. A prekindergarten through grade twelve and a secondary education initial teacher  
11 licensure candidate must complete at least three semester hours of reading in the  
12 content area to be taught which includes a focus on vocabulary, comprehension, and  
13 writing.

14 4. A teacher licensure candidate satisfies the requirements of this section if the candidate  
15 demonstrates the candidate has received training in competencies related to reading  
16 instruction from an accredited or approved program, or demonstrates mastery of the  
17 topics provided under subsection 1. The board may issue a provisional license for up  
18 to two years to a teacher licensure candidate who does not meet the requirements of  
19 this section.

20 **SECTION 9. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22 **15.1-20-01. Compulsory attendance.**

23 1. Any person having responsibility for a child between the ages of seven and sixteen  
24 years shall ensure ~~that~~ the child ~~is in attendance at~~ attends a public school for the  
25 duration of each school year.

26 2. If a person enrolls a child of age six in a public school, the person shall ensure ~~that~~ the  
27 child ~~is in attendance at~~ attends the public school for the duration of each school year.  
28 The person may withdraw a child of age six from the public school. However, once the  
29 child is withdrawn, the person may not re-enroll the child until the following school  
30 year. This subsection does not apply if the reason for the withdrawal is the child's  
31 relocation to another school district.

1       3. This section does not apply if a child is exempted under the provisions of section  
2       15.1-20-02.

3       4. The attendance of students participating in virtual instruction must be verified by  
4       monitoring the student's progress on academic pacing guides developed by the school  
5       district to ensure students are in attendance and receiving sufficient curricular  
6       instruction, as defined in rules adopted by the superintendent of public instruction.

7       **SECTION 10.** A new section to chapter 15.1-21 of the North Dakota Century Code is  
8 created and enacted as follows:

9       **Reading curriculum - Content - Professional development - Reports to legislative**  
10 **management.**

11       1. Beginning July 1, 2022, each school district and nonpublic school shall ensure the  
12 portion of its curriculum which is related to reading:

13       a. Is scientifically based, evidence based, and research based;

14       b. Focuses on:

15           (1) Phonemic awareness;

16           (2) Phonics;

17           (3) Fluency;

18           (4) Vocabulary; and

19           (5) Comprehension; and

20       c. Uses systematic direct instruction for students in kindergarten through grade  
21 three to ensure all students obtain necessary early reading skills.

22       2. Before the 2022-23 school year, each teacher who teaches kindergarten through  
23 grade three at a school district or nonpublic school, and each principal of a public or  
24 nonpublic school with kindergarten through grade three, shall attend  
25 teacher-approved, professional development training that includes training in the  
26 topics provided under subsection 1.

27       3. Each teacher or principal hired by a school district or nonpublic school that provides  
28 instruction in kindergarten through grade three shall complete the training under  
29 subsection 2, or demonstrate mastery of the topics provided under subsection 1,  
30 within one year of the teacher's or principal's first year of placement in the grade level  
31 or at the school.

- 1 4. To be approved by the superintendent of public instruction, each public and nonpublic
- 2 school shall certify to the superintendent of public instruction that the district or school:
- 3 a. Ensures the placement of highly effective teachers in kindergarten through grade
- 4 three;
- 5 b. Has integrated reading instruments used to diagnose reading development and
- 6 comprehension; and
- 7 c. Has integrated evidence-based resources to support reading development and
- 8 comprehension.
- 9 5. The superintendent of public instruction shall provide ongoing assistance to school
- 10 districts and nonpublic schools to be in and maintain compliance with this section.
- 11 6. The superintendent of public instruction, in collaboration with the kindergarten through
- 12 grade twelve education coordination council, shall adopt rules to implement this
- 13 section, including rules to monitor implementation and compliance with this section.
- 14 7. The superintendent of public instruction shall provide periodic reports to the legislative
- 15 management on the implementation and effectiveness of this section in improving
- 16 educational outcomes and reading competency of students.

17 **SECTION 11. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **15.1-27-03.2. School district size weighting factor - Weighted student units.**

- 20 1. For each high school district in the state, the superintendent of public instruction shall
- 21 assign a baseline school district size weighting factor of:
  - 22 a. 1.36 if the students in average daily membership number fewer than 110;
  - 23 b. 1.35 if the students in average daily membership number at least 110 but fewer
  - 24 than 125;
  - 25 c. 1.34 if the students in average daily membership number at least 125 but fewer
  - 26 than 130;
  - 27 d. 1.33 if the students in average daily membership number at least 130 but fewer
  - 28 than 135;
  - 29 e. 1.32 if the students in average daily membership number at least 135 but fewer
  - 30 than 140;



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

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

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- 1           jj. 1.01 if the students in average daily membership number at least 600 but fewer  
2           than 900; and
- 3           kk. 1.00 if the students in average daily membership number at least 900.
- 4           2. ~~For each elementary district in the state~~Beginning with the 2021-22 school year and  
5           each school year thereafter until the 2027-28 school year, the superintendent of public  
6           instruction shall assign a school district size weighting factor determined by increasing  
7           the baseline weighting factor under subsection 1 each year by fourteen and  
8           twenty-nine hundredths percent of the difference between the weighting factor under  
9           this subsection and the baseline weighting factor under subsection 1 for the same  
10          school district size. For the 2027-28 school year and each school year thereafter, the  
11          superintendent of public instruction shall assign a school district size weighting factor  
12          of:
- 13          a. ~~1.25~~1.72 if the students in average daily membership number fewer than ~~125~~110;  
14          b. ~~1.17~~1.68 if the students in average daily membership number at least ~~125~~110 but  
15          fewer than ~~200~~125; and
- 16          c. ~~1.00~~1.64 if the students in average daily membership number at least ~~200~~125 but  
17          fewer than 130;
- 18          d. 1.60 if the students in average daily membership number at least 130 but fewer  
19          than 135;
- 20          e. 1.56 if the students in average daily membership number at least 135 but fewer  
21          than 140;
- 22          f. 1.52 if the students in average daily membership number at least 140 but fewer  
23          than 145;
- 24          g. 1.49 if the students in average daily membership number at least 145 but fewer  
25          than 150;
- 26          h. 1.45 if the students in average daily membership number at least 150 but fewer  
27          than 155;
- 28          i. 1.42 if the students in average daily membership number at least 155 but fewer  
29          than 160;
- 30          j. 1.39 if the students in average daily membership number at least 160 but fewer  
31          than 165;

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

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

~~school district size weighting factor determined under subsection 2 by ninety-two percent.~~

4. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.

4.5. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 12. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)**

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
    - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;

- 1           (3) Tuition reported under code 1300 of the North Dakota school district
- 2           financial accounting and reporting manual, as developed by the
- 3           superintendent of public instruction in accordance with section 15.1-02-08,
- 4           with the exception of revenue received specifically for the operation of an
- 5           educational program provided at a residential treatment facility and tuition
- 6           received for the provision of an adult farm management program;
- 7           (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 8           of electric power;
- 9           (5) Revenue from payments in lieu of taxes on electricity generated from
- 10          sources other than coal;
- 11          (6) Revenue from the leasing of land acquired by the United States for which
- 12          compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 13      d. An amount equal to the total revenue received by the school district during the
- 14          2017-18 school year for the following revenue types:
- 15          (1) Mobile home tax revenue;
- 16          (2) Telecommunications tax revenue; and
- 17          (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 18          homestead credit and disabled veterans credit; and
- 19      e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 20          baseline funding for any school district that becomes an elementary district
- 21          pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 22          be proportional to the number of weighted student units in the grades that are
- 23          offered through another school district relative to the total number of weighted
- 24          student units the school district offered in the year before the school district
- 25          became an elementary district. The reduced baseline funding applies to the
- 26          calculation of state aid for the first school year in which the school district
- 27          becomes an elementary district and for each year thereafter. For districts that
- 28          become an elementary district prior to the 2020-21 school year, the
- 29          superintendent shall use the reduced baseline funding to calculate state aid for
- 30          the 2020-21 school year and for each year thereafter.

- 1           2.   a.   The superintendent shall divide the district's baseline funding determined in  
2                    subsection 1 by the district's 2017-18 weighted student units to determine the  
3                    district's baseline funding per weighted student unit.
- 4           b.   For any school district that becomes an elementary district pursuant to section  
5                    15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
6                    district's baseline funding per weighted student unit used to calculate state aid.  
7                    The superintendent shall divide the district's baseline funding determined in  
8                    subsection 1 by the district's weighted student units after the school district  
9                    becomes an elementary district to determine the district's adjusted baseline  
10                  funding per weighted student unit. The superintendent shall use the district's  
11                  adjusted baseline funding per weighted student unit in the calculation of state aid  
12                  for the first school year in which the school district becomes an elementary  
13                  district and for each year thereafter.
- 14          c.   Beginning with the 2021-22 school year and for each school year thereafter, the  
15                  superintendent shall reduce the district's baseline funding per weighted student  
16                  unit. Each year the superintendent shall calculate the amount by which the  
17                  district's baseline funding per weighted student unit exceeds the payment per  
18                  weighted student unit provided in subsection 3. The superintendent shall reduce  
19                  the district's baseline funding per weighted student unit by fifteen percent of the  
20                  amount by which the district's baseline funding per weighted student unit exceeds  
21                  the payment per weighted student unit for the 2021-22 school year. For each  
22                  year thereafter, the reduction percentage is increased by an additional fifteen  
23                  percent. However, the district's baseline funding per weighted student unit, after  
24                  the reduction, may not be less than the payment per weighted student unit  
25                  provided in subsection 3.
- 26          3.   a.   For the ~~2019-20~~2021-22 school year, the superintendent shall calculate state aid  
27                  as the greater of:
- 28                  (1)   The district's weighted student units multiplied by ~~nine thousand eight~~  
29                  ~~hundred thirty-nine~~ten thousand one hundred thirty-six dollars;
- 30                  (2)   One hundred ~~one~~two percent of the district's baseline funding per weighted  
31                  student unit, as established in subsection 2, multiplied by the district's



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

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

1                   of subdivision b of this subsection, by the district's weighted student units  
2                   from the previous school year.

3                   (5) For the 2025-26 school year, the transition maximum rate is one hundred  
4                   twenty percent of the district's baseline funding per weighted student unit,  
5                   as established in subsection 2, plus seventy-five percent of the difference  
6                   between the rate under paragraph 1 of subdivision b of this subsection and  
7                   one hundred twenty percent of the district's baseline funding per weighted  
8                   student unit. The transition maximum is determined by multiplying the  
9                   transition maximum rate, which may not exceed the rate under paragraph 1  
10                  of subdivision b of this subsection, by the district's weighted student units  
11                  from the previous school year.

12                  (6) For the 2026-27 school year, the transition maximum rate is one hundred  
13                  twenty percent of the district's baseline funding per weighted student unit,  
14                  as established in subsection 2, plus ninety percent of the difference  
15                  between the rate under paragraph 1 of subdivision b of this subsection and  
16                  one hundred twenty percent of the district's baseline funding per weighted  
17                  student unit. The transition maximum is determined by multiplying the  
18                  transition maximum rate, which may not exceed the rate under paragraph 1  
19                  of subdivision b of this subsection, by the district's weighted student units  
20                  from the previous school year.

21                  (7) For the 2027-28 school year, the transition maximum rate is one hundred  
22                  twenty percent of the district's baseline funding per weighted student unit,  
23                  as established in subsection 2, plus the difference between the rate under  
24                  paragraph 1 of subdivision b of this subsection and one hundred twenty  
25                  percent of the district's baseline funding per weighted student unit. The  
26                  transition maximum is determined by multiplying the transition maximum  
27                  rate, which may not exceed the rate under paragraph 1 of subdivision b of  
28                  this subsection, by the district's weighted student units from the previous  
29                  school year.

30                  4. After determining the product in accordance with subsection 3, the superintendent of  
31                  public instruction shall:

- 1           a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
2           school district, except the amount in dollars subtracted for purposes of this  
3           subdivision may not exceed the previous year's amount in dollars subtracted for  
4           purposes of this subdivision by more than twelve percent, adjusted pursuant to  
5           section 15.1-27-04.3; and
- 6           b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
7           subdivisions c and d of subsection 1. Before determining the deduction for  
8           seventy-five percent of all revenue types, the superintendent of public instruction  
9           shall adjust revenues as follows:
- 10          (1) Tuition revenue shall be adjusted as follows:
- 11               (a) In addition to deducting tuition revenue received specifically for the  
12               operation of an educational program provided at a residential  
13               treatment facility and tuition revenue received for the provision of an  
14               adult farm management program as directed in paragraph 3 of  
15               subdivision c of subsection 1, the superintendent of public instruction  
16               also shall reduce the total tuition reported by the school district by the  
17               amount of tuition revenue received for the education of students not  
18               residing in the state and for which the state has not entered a cross-  
19               border education contract; and
- 20               (b) The superintendent of public instruction also shall reduce the total  
21               tuition reported by admitting school districts meeting the requirements  
22               of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
23               of tuition revenue received for the education of students residing in an  
24               adjacent school district.
- 25          (2) After adjusting tuition revenue as provided in paragraph 1, the  
26               superintendent shall reduce all remaining revenues from all revenue types  
27               by the percentage of mills levied in ~~2018~~2020 by the school district for  
28               sinking and interest relative to the total mills levied in ~~2018~~2020 by the  
29               school district for all purposes.

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

17        **Baseline funding - Establishment - Determination of state aid. (Effective after**  
18        **June 30, 2025)**

- 19        1.    To determine the amount of state aid payable to each district, the superintendent of  
20            public instruction shall establish each district's baseline funding. A district's baseline  
21            funding consists of:
  - 22        a.    All state aid received by the district in accordance with chapter 15.1-27 during the  
23            2018-19 school year;
  - 24        b.    An amount equal to the property tax deducted by the superintendent of public  
25            instruction to determine the 2018-19 state aid payment;
  - 26        c.    An amount equal to seventy-five percent of the revenue received by the school  
27            district during the 2017-18 school year for the following revenue types:
    - 28            (1)    Revenue reported under code 2000 of the North Dakota school district  
29                    financial accounting and reporting manual, as developed by the  
30                    superintendent of public instruction in accordance with section 15.1-02-08;

- 1           (2) Mineral revenue received by the school district through direct allocation from
- 2           the state treasurer and not reported under code 2000 of the North Dakota
- 3           school district financial accounting and reporting manual, as developed by
- 4           the superintendent of public instruction in accordance with section
- 5           15.1-02-08;
- 6           (3) Tuition reported under code 1300 of the North Dakota school district
- 7           financial accounting and reporting manual, as developed by the
- 8           superintendent of public instruction in accordance with section 15.1-02-08,
- 9           with the exception of revenue received specifically for the operation of an
- 10          educational program provided at a residential treatment facility and tuition
- 11          received for the provision of an adult farm management program;
- 12          (4) Revenue from payments in lieu of taxes on the distribution and transmission
- 13          of electric power;
- 14          (5) Revenue from payments in lieu of taxes on electricity generated from
- 15          sources other than coal;
- 16          (6) Revenue from the leasing of land acquired by the United States for which
- 17          compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 18          d. An amount equal to the total revenue received by the school district during the
- 19          2017-18 school year for the following revenue types:
- 20               (1) Mobile home tax revenue;
- 21               (2) Telecommunications tax revenue; and
- 22               (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 23               homestead credit and disabled veterans credit.
- 24          e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 25          baseline funding for any school district that becomes an elementary district
- 26          pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 27          be proportional to the number of weighted student units in the grades that are
- 28          offered through another school district relative to the total number of weighted
- 29          student units the school district offered in the year before the school district
- 30          became an elementary district. The reduced baseline funding applies to the
- 31          calculation of state aid for the first school year in which the school district

1 becomes an elementary district and for each year thereafter. For districts that  
2 become an elementary district prior to the 2020-21 school year, the  
3 superintendent shall use the reduced baseline funding to calculate state aid for  
4 the 2020-21 school year and for each year thereafter.

- 5 2. a. The superintendent shall divide the district's baseline funding determined in  
6 subsection 1 by the district's 2017-18 weighted student units to determine the  
7 district's baseline funding per weighted student unit.
- 8 b. For any school district that becomes an elementary district pursuant to section  
9 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
10 district's baseline funding per weighted student unit used to calculate state aid.  
11 The superintendent shall divide the district's baseline funding determined in  
12 subsection 1 by the district's weighted student units after the school district  
13 becomes an elementary district to determine the district's adjusted baseline  
14 funding per weighted student unit. The superintendent shall use the district's  
15 adjusted baseline funding per weighted student unit in the calculation of state aid  
16 for the first school year in which the school district becomes an elementary  
17 district and for each year thereafter.
- 18 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
19 superintendent shall reduce the district's baseline funding per weighted student  
20 unit. Each year the superintendent shall calculate the amount by which the  
21 district's baseline funding per weighted student unit exceeds the payment per  
22 weighted student unit provided in subsection 3. The superintendent shall reduce  
23 the district's baseline funding per weighted student unit by fifteen percent of the  
24 amount by which the district's baseline funding per weighted student unit exceeds  
25 the payment per weighted student unit for the 2021-22 school year. For each  
26 year thereafter, the reduction percentage is increased by an additional fifteen  
27 percent. However, the district's baseline funding per weighted student unit, after  
28 the reduction, may not be less than the payment per weighted student unit  
29 provided in subsection 3.
- 30 3. a. For the ~~2019-20~~2021-22 school year, the superintendent shall calculate state aid  
31 as the greater of:

Sixty-seventh  
Legislative Assembly

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



1 district's baseline funding per weighted student unit, as established in  
2 subsection 2, ~~multiplied~~plus fifteen percent of the difference between the  
3 rate under paragraph 1 of subdivision a of this subsection and one hundred  
4 fifteen percent of the district's baseline funding per weighted student unit.  
5 The transition maximum is determined by multiplying the transition  
6 maximum rate, which may not exceed the rate under paragraph 1 of  
7 subdivision a of this subsection, by the district's weighted student units from  
8 the previous school year.

9 (2) For the ~~2020-21~~2022-23 school year ~~and each school year thereafter, to~~  
10 ~~ensure the amount does not exceed~~the transition maximum rate is one  
11 hundred ~~ten~~twenty percent of the district's baseline funding per weighted  
12 student unit, as established in subsection 2, ~~multiplied~~plus thirty percent of  
13 the difference between the rate under paragraph 1 of subdivision b of this  
14 subsection and one hundred twenty percent of the district's baseline funding  
15 per weighted student unit. The transition maximum is determined by  
16 multiplying the transition maximum rate, which may not exceed the rate  
17 under paragraph 1 of subdivision b of this subsection, by the district's  
18 weighted student units from the previous school year.

19 (3) For the 2023-24 school year, the transition maximum rate is one hundred  
20 twenty percent of the district's baseline funding per weighted student unit,  
21 as established in subsection 2, plus forty-five percent of the difference  
22 between the rate under paragraph 1 of subdivision b of this subsection and  
23 one hundred twenty percent of the district's baseline funding per weighted  
24 student unit. The transition maximum is determined by multiplying the  
25 transition maximum rate, which may not exceed the rate under paragraph 1  
26 of subdivision b of this subsection, by the district's weighted student units  
27 from the previous school year.

28 (4) For the 2024-25 school year, the transition maximum rate is one hundred  
29 twenty percent of the district's baseline funding per weighted student unit,  
30 as established in subsection 2, plus sixty percent of the difference between  
31 the rate under paragraph 1 of subdivision b of this subsection and one

1                   hundred twenty percent of the district's baseline funding per weighted  
2                   student unit. The transition maximum is determined by multiplying the  
3                   transition maximum rate, which may not exceed the rate under paragraph 1  
4                   of subdivision b of this subsection, by the district's weighted student units  
5                   from the previous school year.

6                   (5) For the 2025-26 school year, the transition maximum rate is one hundred  
7                   twenty percent of the district's baseline funding per weighted student unit,  
8                   as established in subsection 2, plus seventy-five percent of the difference  
9                   between the rate under paragraph 1 of subdivision b of this subsection and  
10                  one hundred twenty percent of the district's baseline funding per weighted  
11                  student unit. The transition maximum is determined by multiplying the  
12                  transition maximum rate, which may not exceed the rate under paragraph 1  
13                  of subdivision b of this subsection, by the district's weighted student units  
14                  from the previous school year.

15                  (6) For the 2026-27 school year, the transition maximum rate is one hundred  
16                  twenty percent of the district's baseline funding per weighted student unit,  
17                  as established in subsection 2, plus ninety percent of the difference  
18                  between the rate under paragraph 1 of subdivision b of this subsection and  
19                  one hundred twenty percent of the district's baseline funding per weighted  
20                  student unit. The transition maximum is determined by multiplying the  
21                  transition maximum rate, which may not exceed the rate under paragraph 1  
22                  of subdivision b of this subsection, by the district's weighted student units  
23                  from the previous school year.

24                  (7) For the 2027-28 school year, the transition maximum rate is one hundred  
25                  twenty percent of the district's baseline funding per weighted student unit,  
26                  as established in subsection 2, plus the difference between the rate under  
27                  paragraph 1 of subdivision b of this subsection and one hundred twenty  
28                  percent of the district's baseline funding per weighted student unit. The  
29                  transition maximum is determined by multiplying the transition maximum  
30                  rate, which may not exceed the rate under paragraph 1 of subdivision b of

1                   this subsection, by the district's weighted student units from the previous  
2                   school year.

3           4.   After determining the product in accordance with subsection 3, the superintendent of  
4           public instruction shall:

5           a.   Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
6           school district; and

7           b.   Subtract an amount equal to seventy-five percent of all revenue types listed in  
8           subdivisions c and d of subsection 1. Before determining the deduction for  
9           seventy-five percent of all revenue types, the superintendent of public instruction  
10          shall adjust revenues as follows:

11          (1)   Tuition revenue shall be adjusted as follows:

12               (a)   In addition to deducting tuition revenue received specifically for the  
13               operation of an educational program provided at a residential  
14               treatment facility and tuition revenue received for the provision of an  
15               adult farm management program as directed in paragraph 3 of  
16               subdivision c of subsection 1, the superintendent of public instruction  
17               also shall reduce the total tuition reported by the school district by the  
18               amount of tuition revenue received for the education of students not  
19               residing in the state and for which the state has not entered a cross-  
20               border education contract; and

21               (b)   The superintendent of public instruction also shall reduce the total  
22               tuition reported by admitting school districts meeting the requirements  
23               of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
24               of tuition revenue received for the education of students residing in an  
25               adjacent school district.

26          (2)   After adjusting tuition revenue as provided in paragraph 1, the  
27          superintendent shall reduce all remaining revenues from all revenue types  
28          by the percentage of mills levied in ~~2018~~2020 by the school district for  
29          sinking and interest relative to the total mills levied in ~~2018~~2020 by the  
30          school district for all purposes.

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

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

19       **15.1-27-35. Average daily membership - Calculation.**

- 20       1.    Average daily membership is calculated at the conclusion of the school year by adding
- 21            the total number of hours that each student in a given grade, school, or school district
- 22            is in attendance at the school's physical plant during a school calendar and the total
- 23            number of hours that each student in a given grade, school, or school district is absent
- 24            during a school calendar, and then dividing the sum by:
- 25            a.    Nine hundred sixty-two and one-half hours for elementary school students; or
- 26            b.    One thousand fifty hours for middle and high school students.
- 27       2.    For purposes of calculating average daily membership:
- 28            a.    A student enrolled full time in any grade from one through twelve may not exceed
- 29            an average daily membership of 1.00. The membership may be prorated for a
- 30            student who is enrolled less than full time.

1           b. A student enrolled full time in an approved regular education kindergarten  
2           program may not exceed an average daily membership of 1.00. The membership  
3           may be prorated for a student who is enrolled less than full time.

4           c. A student enrolled full time, as defined by the superintendent of public instruction,  
5           in an approved early childhood special education program may not exceed an  
6           average daily membership of 1.00. The membership may be prorated for a  
7           student who is enrolled less than full time.

8           d. A student enrolled full time in virtual instruction is calculated at an average daily  
9           membership of 1.00. The membership may be prorated for a student who is  
10           enrolled less than full time.

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

13           **15.1-31-07. Students not subject to this chapter.**

14           1. If a student, as a result of a school district dissolution or reorganization, resides in a  
15           district other than the one the student chooses to attend at the time of the dissolution  
16           or reorganization, the student is not subject to this chapter and may attend school in  
17           the chosen school district.

18           2. If a student resides in a district other than the one the student is enrolled in for  
19           purposes of receiving virtual instruction, the student is not subject to this chapter  
20           unless a cost-sharing agreement is established between the school district of  
21           residence and the receiving district.

22           **SECTION 15. TRANSITION MINIMUM REDUCTION - LEGISLATIVE MANAGEMENT**  
23 **STUDY.**

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

28           a. A review of school districts that have two kindergarten through grade twelve  
29           buildings in the district and districts that have built a new building without using  
30           traditional bonding methods as a result of a multidistrict reorganization;

- 1           b. An analysis of high-cost students, including students who are high cost due to
- 2           special education needs, medical reasons, agency placements, or any other
- 3           reasons that increase the cost to educate the students beyond the state
- 4           threshold;
- 5           c. An ongoing review of the impacts of school districts that are off of the funding
- 6           formula as they transition onto the formula;
- 7           d. An analysis of human resource allocation and the duties and needs in elementary
- 8           and secondary school buildings with a targeted focus on student academic
- 9           health, behavioral health, and social and emotional health; and
- 10          e. A review of student performance data relevant to students participating in virtual
- 11          learning.
- 12          2. The legislative management shall report its findings and recommendations, together
- 13          with any legislation required to implement the recommendations to the sixty-eighth
- 14          legislative assembly.

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

20           **SECTION 17. APPROPRIATION.** There is appropriated out of any moneys in the  
21 foundation aid stabilization fund in the state treasury, not otherwise appropriated, the sum of  
22 \$34,300,000, or so much of the sum as may be necessary, to the department of public  
23 instruction for the purpose of increasing the per student payment rate one percent each year of  
24 the biennium, for the biennium beginning July 1, 2021, and ending June 30, 2023.

25           **SECTION 18. EFFECTIVE DATE.** Section 8 of this Act becomes effective on July 1, 2022.