

Introduced by

Senators Schaible, Davison, Rust

Representatives Owens, Schreiber-Beck

1 A BILL for an Act to amend and reenact sections 15.1-27-03.1 and 15.1-27-04.1 of the North  
2 Dakota Century Code, relating to the determination of weighted average daily membership and  
3 state aid payable to school districts; to provide for a legislative management study; to provide  
4 an appropriation; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **15.1-27-03.1. Weighted average daily membership - Determination.**

- 9 1. For each school district, the superintendent of public instruction shall multiply by:
  - 10 a. 1.00 the number of full-time equivalent students enrolled in an extended  
11 educational program in accordance with section 15.1-32-17;
  - 12 b. 0.60 the number of full-time equivalent students enrolled in a summer education  
13 program, including a migrant summer education program;
  - 14 c. 0.40 the number of full-time equivalent students who:
    - 15 (1) On a test of English language proficiency approved by the superintendent of  
16 public instruction are determined to be least proficient and placed in the first  
17 of six categories of proficiency; and
    - 18 (2) Are enrolled in a program of instruction for English language learners;
  - 19 d. 0.28 the number of full-time equivalent students who:
    - 20 (1) On a test of English language proficiency approved by the superintendent of  
21 public instruction are determined to be more proficient than students placed  
22 in the first of six categories of proficiency and therefore placed in the second  
23 of six categories of proficiency; and
    - 24 (2) Are enrolled in a program of instruction for English language learners;

- 1 e. 0.25 the number of full-time equivalent students under the age of twenty-one  
2 enrolled in grades nine through twelve in an alternative high school;
- 3 f. 0.20 the number of full-time equivalent students enrolled in a home-based  
4 education program and monitored by the school district under chapter 15.1-23;
- 5 g. 0.17 the number of full-time equivalent students enrolled in an early childhood  
6 special education program;
- 7 h. 0.15 the number of full-time equivalent students in grades six through eight  
8 enrolled in an alternative education program for at least an average of fifteen  
9 hours per week;
- 10 i. 0.10 the number of students enrolled in average daily membership, if the district  
11 has fewer than one hundred students enrolled in average daily membership and  
12 the district consists of an area greater than two hundred seventy-five square  
13 miles [19424.9 hectares], provided that any school district consisting of an area  
14 greater than six hundred square miles [155399 hectares] and enrolling fewer than  
15 fifty students in average daily membership must be deemed to have an  
16 enrollment equal to fifty students in average daily membership;
- 17 j. 0.082 the number of students enrolled in average daily membership, in order to  
18 support the provision of special education services;
- 19 k. 0.07 the number of full-time equivalent students who:
- 20 (1) On a test of English language proficiency approved by the superintendent of  
21 public instruction are determined to be more proficient than students placed  
22 in the second of six categories of proficiency and therefore placed in the  
23 third of six categories of proficiency;
- 24 (2) Are enrolled in a program of instruction for English language learners; and
- 25 (3) Have not been in the third of six categories of proficiency for more than  
26 three years;
- 27 l. 0.025 the number of students representing that percentage of the total number of  
28 students in average daily membership which is equivalent to the three-year  
29 average percentage of students in grades three through eight who are eligible for  
30 free or reduced lunches under the Richard B. Russell National School Lunch Act  
31 [42 U.S.C. 1751 et seq.]; and

- 1 m. 0.002 the number of students enrolled in average daily membership in a school  
2 district that is a participating member of a regional education association meeting  
3 the requirements of chapter 15.1-09.1-1;
- 4 n. 1.00 the number of students by which the district's September tenth enrollment  
5 report exceeds the number of students in the prior year's average daily  
6 membership; and
- 7 o. For districts paid based on September tenth enrollment in the prior year, 1.00 the  
8 number of students determined by deducting the number of students in the prior  
9 year's September tenth enrollment from the prior year's average daily  
10 membership. If the prior year's September tenth enrollment exceeds the prior  
11 year's average daily membership, then a deduction of 1.00 the number of excess  
12 students.
- 13 2. The superintendent of public instruction shall determine each school district's weighted  
14 average daily membership by adding the products derived under subsection 1 to the  
15 district's average daily membership.

16 **SECTION 2. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

- 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 2012-13 school year;
- 24 b. The district's 2012-13 mill levy reduction grant, as determined in accordance with  
25 chapter 57-64, as it existed on June 30, 2013;
- 26 c. An amount equal to that raised by the district's 2012 general fund levy or that  
27 raised by one hundred ten mills of the district's 2012 general fund levy, whichever  
28 is less;
- 29 d. An amount equal to that raised by the district's 2012 long-distance learning and  
30 educational technology levy;

- 1 e. An amount equal to that raised by the district's 2012 alternative education  
2 program levy; and
- 3 f. An amount equal to seventy-five percent of the revenue received by the school  
4 district during the 2012-13 school year for the following revenue types:
- 5 (1) ~~Seventy-five percent of all revenue received by the school district~~  
6 ~~and~~ Revenue reported under code 2000 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 (2) ~~Seventy-five percent of all mineral~~ Mineral revenue received by the school  
10 district through direct allocation from the state treasurer and not reported  
11 under code 2000 of the North Dakota school district financial accounting  
12 and reporting manual, as developed by the superintendent of public  
13 instruction in accordance with section 15.1-02-08;
- 14 (3) ~~Seventy-five percent of all tuition received by the school district and~~ Tuition  
15 reported under code 1300 of the North Dakota school district financial  
16 accounting and reporting manual, as developed by the superintendent of  
17 public instruction in accordance with section 15.1-02-08, with the exception  
18 of revenue received specifically for the operation of an educational program  
19 provided at a residential treatment facility and tuition received for the  
20 provision of an adult farm management program;
- 21 (4) ~~Seventy-five percent of all revenue received by the school district~~ Revenue  
22 from payments in lieu of taxes on the distribution and transmission of  
23 electric power;
- 24 (5) ~~Seventy-five percent of all revenue received by the school district~~ Revenue  
25 from payments in lieu of taxes on electricity generated from sources other  
26 than coal;
- 27 (6) ~~All revenue received by the school district from mobile home taxes;~~
- 28 (7) ~~Seventy-five percent of all revenue received by the school district~~ Revenue  
29 from the leasing of land acquired by the United States for which  
30 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 31 (8) ~~All telecommunications~~ and

- 1           g. An amount equal to the total revenue received by the school district during the  
2           2012-13 school year for the following revenue types:  
3           (1) Mobile home tax revenue;  
4           (2) Telecommunications tax revenue received by the school district; and  
5           (9)(3) All revenue received by the school districtRevenue from payments in lieu of  
6           taxes and state reimbursement of the homestead credit and disabled  
7           veterans credit.
- 8           2. The superintendent shall divide the district's total baseline funding by the district's  
9           2012-13 weighted student units to determine the district's baseline funding per  
10          weighted student unit.
- 11          3. a. In ~~2017-18~~2019-20, the superintendent shall multiply the district's weighted  
12          student units by nine thousand ~~six~~eight hundred ~~forty-six~~thirty-nine dollars.  
13          (4) The superintendent shall adjust the product to ensure the product is at least  
14          equal to the greater of:  
15          (a)(1) One hundred eight percent of the district's baseline funding per weighted  
16          student unit, as established in subsection 2, multiplied by the district's  
17          weighted student units from the previous school year; or  
18          (b)(2) ~~One hundred percent of the~~The district's baseline funding as established in  
19          subsection 1.  
20          (2) ~~The superintendent also shall adjust the product to ensure the product does~~  
21          ~~not exceed one hundred forty percent of the district's baseline funding per~~  
22          ~~weighted student unit multiplied by the district's weighted student units from~~  
23          ~~the previous school year, as established in subsection 2.~~
- 24          b. In ~~2018-19~~2020-21 and each school year thereafter, the superintendent shall  
25          multiply thecalculate state aid as the greater of:  
26          (1) The district's weighted student units multiplied by ~~nineteen~~ thousand six  
27          hundred ~~forty-six~~thirty-six dollars;  
28          (4) ~~The superintendent shall adjust the product to ensure the product is at least~~  
29          ~~equal to the greater of;~~ or  
30          (2) The amount in paragraph 1 plus the greater of:

- 1 (a) One hundred eight percent of the district's baseline funding per  
2 weighted student unit, as established in subsection 2, multiplied by  
3 the district's weighted student units from the previous school year  
4 less the amount in paragraph 1, with the difference reduced by five  
5 percent in 2020-21 and fifteen percent each year thereafter; or
- 6 (b) ~~One hundred percent of the~~The district's baseline funding as  
7 established in subsection 1 less the amount in paragraph 1, with the  
8 difference reduced by five percent in 2020-21 and fifteen percent each  
9 year thereafter.
- 10 c. The superintendent also shall adjust state aid determined in this subsection:
- 11 (1) In 2019-20, to ensure the amount does not exceed one hundred forty-five  
12 percent of the district's baseline funding per weighted student unit, as  
13 established in subsection 2, multiplied by the district's weighted student  
14 units from the previous school year.
- 15 (2) ~~The superintendent also shall adjust the product~~In 2020-21, to ensure the  
16 ~~product~~amount does not exceed one hundred ~~forty~~fifty percent of the  
17 district's baseline funding per weighted student unit, as established in  
18 subsection 2, multiplied by the district's weighted student units from the  
19 previous school year.
- 20 4. After determining the product in accordance with subsection 3, the superintendent of  
21 public instruction shall:
- 22 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
23 school district, except the amount in dollars subtracted for purposes of this  
24 subdivision may not exceed the previous year's amount in dollars subtracted for  
25 purposes of this subdivision by more than twelve percent; and
- 26 b. Subtract an amount equal to seventy-five percent of all ~~revenues~~revenue types  
27 ~~listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one-~~  
28 ~~hundred percent of all revenues listed in paragraphs 6, 8, and 9 of~~  
29 ~~subdivision f~~subdivisions f and g of subsection 1.

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           **SECTION 3. 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 \$3,000,000, 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, 2019, and ending June 30, 2021. 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 only during the first year of the  
15                   2019-21 biennium based on the following criteria:

- 16           1.    A district is eligible to receive a grant under this section if the number of students  
17                   reflected in the district's September tenth enrollment report exceeds the number of  
18                   students in the prior year September tenth enrollment report. The increase must be at  
19                   least four percent or one hundred fifty students and must be at least twenty students.
- 20           2.    The superintendent of public instruction shall calculate the amount to which an eligible  
21                   district is entitled as follows:
- 22                   a.    Determine the actual percentage increase in the number of students and subtract  
23                   two from the percentage calculated;
- 24                   b.    Determine the number of students represented by the difference determined in  
25                   subdivision a of this subsection;
- 26                   c.    Multiply the number of students determined in subdivision b of this subsection by  
27                   \$4,000.
- 28           3.    If the amount of the appropriation provided for in this section is insufficient to meet the  
29                   obligations of this subsection, the superintendent of public instruction shall prorate the  
30                   payment based on the percentage of the total amount to which each school district is  
31                   entitled.

1           4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not  
2           eligible to receive a grant under this section.

3           **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general  
4 fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the  
5 sum as may be necessary, to the department of commerce for the purpose of providing funding  
6 to an organization providing research-based literacy intervention services to students below  
7 grade four who score below proficient in reading as matching funds for AmeriCorps funding, for  
8 the biennium beginning July 1, 2019, and ending June 30, 2021. The department may spend  
9 the appropriated funds only as authorized in this section.

10          **SECTION 5. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the  
11 legislative management shall consider studying minimum and maximum payments to school  
12 districts included in the state school aid formula, including how school districts could be  
13 transitioned from the minimum and maximum payments and the effects on school districts of  
14 transitioning from the minimum and maximum payments. The legislative management shall  
15 report its findings and recommendations, together with any legislation required to implement the  
16 recommendations, to the sixty-seventh legislative assembly.

17          **SECTION 6. EFFECTIVE DATE.** Section 1 of this Act is effective July 1, 2020.