

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED HOUSE BILL NO. 1027**

Introduced by

Legislative Management

(Education Funding Formula Review Committee)

1 A BILL for an Act to create and enact five new sections to chapter 15.1-27 of the North Dakota  
2 Century Code, relating to school district transportation aid payments; to amend and reenact  
3 section 15.1-31-05 of the North Dakota Century Code, relating to the transportation of open  
4 enrollment students; and to provide for a legislative management study.

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

6 **SECTION 1.** A new section to chapter 15.1-27 of the North Dakota Century Code is created  
7 and enacted as follows:

8 **School district transportation of students - Payments.**

9 1. Subject to legislative appropriation, the superintendent of public instruction shall pay  
10 each school district providing school bus transportation in contract schoolbuses or in  
11 district-owned and operated schoolbuses, and each school district with students riding  
12 commercial buses to and from school within the incorporated limits of a city, the  
13 following amounts from state funds:

14 a. For schoolbuses and school vehicles transporting students:

15 (1) Fifty-two cents per mile [1.61 kilometers] for vehicles that have a capacity of  
16 fewer than ten students; and

17 (2) One dollar and eleven cents per mile [1.61 kilometers] for schoolbuses that  
18 have a capacity of ten or more students; and

19 b. Thirty cents per one-way trip for each student transported.

20 2. The superintendent of public instruction shall provide per mileage payments if:

21 a. A school district qualifies to receive payment pursuant to subsection 1; and

22 b. The school district operates schoolbuses in accordance with state law relating to  
23 schoolbus standards and school vehicle driver requirements. A school district  
24 shall certify compliance with state law relating to schoolbus standards and school

1                   vehicle driver requirements when applying for payment under this section. The  
2                   superintendent of public instruction may adopt rules governing certification of  
3                   compliance under this subdivision.

4           3. Subject to legislative appropriation, the superintendent of public instruction shall  
5           reimburse school districts fifty cents per day per mile [1.61 kilometers] one-way for  
6           each mile over two miles [3.22 kilometers] for students transported by family  
7           transportation in accordance with section 15.1-30-02, according to the distance  
8           between the home of the student and the school. The distance must be measured by  
9           the route from the front door of the school attended to the front door of the residence  
10           of the family of the student according to the most convenient public course traveled.

11           4. The superintendent of public instruction shall use the latest available student  
12           enrollment count in each school district in applying the provisions of this section, with  
13           the exception of the 2021-22 and 2022-23 school years, for which the superintendent  
14           of public instruction shall calculate each school district's payment based on the  
15           district's miles and ridership data from the 2018-19 school year or the previous school  
16           year, whichever is greater.

17           5. This section does not authorize the reimbursement of any costs incurred in providing  
18           transportation for students to attend extracurricular activities or events.

19           **SECTION 2.** A new section to chapter 15.1-27 of the North Dakota Century Code is created  
20 and enacted as follows:

21           **School district transportation of special education students - Payments.**

22           1. Subject to legislative appropriation, the superintendent of public instruction shall pay  
23           each school district transporting students enrolled in special education programs  
24           approved by the superintendent of public instruction:

25           a. The amount provided in section 1 of this Act for vehicles that have a capacity of  
26           fewer than ten students if the school district is transporting fewer than  
27           ten students per vehicle;

28           b. The amount provided in section 1 of this Act for vehicles that have a capacity of  
29           ten or more students if the school district is transporting ten or more students per  
30           vehicle; and

- 1           c. The additional amount provided in section 1 of this Act, per one-way trip, for each  
2           student transported.
- 3           2. Subject to legislative appropriation, a school district entitled to payments under this  
4           section is entitled to receive transportation aid for all miles [kilometers] traveled and for  
5           all students transported, regardless of whether the students transported live within the  
6           incorporated limits of the city in which the students' school is located.
- 7           3. Subject to legislative appropriation, the superintendent of public instruction shall  
8           reimburse school districts fifty cents per day per mile [1.61 kilometers] if:
- 9           a. The student being transported has a disability, as defined in chapter 15.1-32;  
10          b. The student has an individualized education plan that requires the student attend  
11          a public or nonpublic school located outside the student's school district of  
12          residence;
- 13          c. The student is transported by an adult family member in family provided  
14          transportation; and
- 15          d. The reimbursement does not exceed two round trips per day between the home  
16          of the student and the school.
- 17          4. Notwithstanding any other provision of law, the superintendent of public instruction,  
18          upon request from the school district, shall make the payments due to a school district  
19          under this section directly to a multidistrict special education unit.

20          **SECTION 3.** A new section to chapter 15.1-27 of the North Dakota Century Code is created  
21 and enacted as follows:

22          **School district transportation of career and technical education students - Payments.**

- 23          1. Subject to legislative appropriation, the superintendent of public instruction shall pay  
24          each school district transporting students to and from schools in other school districts,  
25          to and from area career and technology centers, and to and from schools within the  
26          district for career and technical education courses offered through cooperative  
27          arrangements approved by the state board for career and technical education:
- 28          a. The amount provided in section 1 of this Act for vehicles that have a capacity of  
29          fewer than ten students if the school district is transporting fewer than  
30          ten students per vehicle;

1           b. The amount provided in section 1 of this Act for vehicles that have a capacity of  
2           ten or more students if the school district is transporting ten or more students per  
3           vehicle; and

4           c. The additional amount provided in section 1 of this Act, per one-way trip, for each  
5           student transported.

6           2. Subject to legislative appropriation, a school district entitled to payments under this  
7           section is entitled to receive transportation aid for all miles [kilometers] traveled and for  
8           all students transported, regardless of whether the students transported live within the  
9           incorporated limits of the city in which the students' school is located.

10          3. Notwithstanding any other provision of law, the superintendent of public instruction,  
11          upon request from the school district, shall make the payments due to a school district  
12          under this section directly to an area career and technology center.

13          **SECTION 4.** A new section to chapter 15.1-27 of the North Dakota Century Code is created  
14 and enacted as follows:

15          **School district closure - Distribution of transportation payments.**

16          1. If a school district ceases to exist, the superintendent of public instruction shall  
17          calculate the amount of transportation payments to which the former school district  
18          would have been entitled for providing transportation services during the school  
19          district's final year of operation and shall pay a percentage of the amount certified to  
20          each school district in the state which enrolls students who attended the former school  
21          district during the prior school year. Each school district eligible for payment under this  
22          section is entitled to receive the percentage of the total amount certified which is the  
23          same as the percentage of the number of the district's students who attended the  
24          former school district during the prior school year bears to the total number of students  
25          who attended the former school district during the prior school year.

26          2. Subject to legislative appropriation, the superintendent of public instruction shall pay  
27          the amount to which a school district is entitled under this section in the manner and at  
28          the time provided for other state payments in section 15.1-27-01.

29          **SECTION 5.** A new section to chapter 15.1-27 of the North Dakota Century Code is created  
30 and enacted as follows:

1        **State transportation payments to school districts.**

- 2        1. Subject to legislative appropriation, the superintendent of public instruction shall  
3        determine the total amount of payments to be made to the school districts for the  
4        transportation of students and shall pay the amount certified to each school district.  
5        Payments must be made in the same manner and at the time provided for other state  
6        payments in section 15.1-27-01. The superintendent of public instruction may not  
7        distribute more than one-half of the amount appropriated for transportation grants for  
8        any biennium in the first year of the biennium. If total transportation reimbursement  
9        claims exceed the amount appropriated by the legislative assembly, the  
10       superintendent of public instruction shall reduce transportation reimbursements on a  
11       prorated basis for all school districts requesting reimbursements.
- 12       2. A school district may not receive more than ninety percent of the actual costs incurred  
13       for the transportation of students.
- 14       3. For purposes of this section, actual costs include the transportation operating  
15       expenditures reported to the superintendent of public instruction for the most recent  
16       year plus the eight-year average cost of transportation equipment determined by the  
17       superintendent of public instruction. Any district having contracted for transportation  
18       services may determine the actual costs for the first year the district provides its own  
19       transportation services by using the statewide average cost of transportation during  
20       the first year.

21       **SECTION 6. AMENDMENT.** Section 15.1-31-05 of the North Dakota Century Code is  
22       amended and reenacted as follows:

23       **15.1-31-05. Open enrollment - Transportation.**

24       A school district of residence may provide transportation to a student participating in open  
25       enrollment. If a district of residence does not provide transportation to a student participating in  
26       open enrollment, transportation may be provided by the admitting district. A school district may  
27       not receive transportation aid disbursements under subdivision a of subsection 1 of section 1 of  
28       this Act or subsection 3 of section 1 of this Act for transporting students who are participating in  
29       open enrollment, or who are enrolled pursuant to a written contract entered by the sending and  
30       admitting districts which waives the charge and collection of tuition for the student.

1       **SECTION 7. LEGISLATIVE MANAGEMENT STUDY - CAREER AND TECHNICAL**  
2 **EDUCATION STUDENT TRANSPORTATION COSTS.** During the 2021-22 interim, the  
3 legislative management shall consider studying the impact of additional career and technical  
4 education center student transportation on student transportation costs. The legislative  
5 management shall report its findings and recommendations, together with any legislation  
6 required to implement the recommendations, to the sixty-eighth legislative assembly.