

# *School District Reorganization*

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# Definitions

## NDCC 15.1-12-01

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- Reorganization – formation of a new district through combination of two or more existing districts
- Annexation – alteration of district boundaries through the removal of land from one district and attachment to another
- Contiguous – tracts of real property which share a common point or would share a common point but for a road or right of way
- State Board – State Board of Public School Education
- Dissolution – district ceases to function and property is attached to other districts

# Initiation of the Reorganization Plan NDCC 15.1-12-09

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- Each Board of two or more contiguous districts must . . .
  - Vote to pursue reorganization
  - Develop reorganization plan
  - Approve the plan
  - Submit plan to County Superintendent having
    - Jurisdiction over the major portion of property in each district
    - Renders pending annexation petition void and prohibits acceptance of new annexation petition

# Interim Fund Balance

NDCC 15.1-12-09.1

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- Plan must specify if interim fund of each district will be allocated wholly or partially to the general fund of the newly reorganized district.

# Interim Fund Balance

## NDCC 15.1-12-09.1

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- Interim Fund Balance wholly allocated to General Fund of New District
  - Plan may also provide that general fund levy applicable to property in participating districts where the levy is lower than the proposed levy for new district, may be raised to the levy of the new district, incrementally over a period of five years.

# Interim Fund Balance

## NDCC 15.1-12-09.1

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- Interim Fund Balance partially allocated to General Fund of New District
  - Participating districts must divide (on the day preceding the effective date of the reorganization) the interim fund balance by the ADM in the district during the school year concluding on the day preceding the effective date of the reorganization
  - Participating district with lowest per student interim fund balance must contribute the total amount to the general fund of the new district.

# Interim Fund Balance

## NDCC 15.1-12-09.1

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- Interim Fund Balance partially allocated to General Fund of New District
  - Remaining districts must multiply the lowest district's per student interim fund amount by their respective average daily memberships.
  - Remaining districts must contribute the lesser of that amount or the total amount in the districts interim fund.

# Interim Fund Balance

## NDCC 15.1-12-09.1

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- Interim Fund Balance partially allocated to General Fund of New District
  - After complying with provisions, if the fund has a remaining balance, the plan must allow that the balance be used by or on behalf of property owners residing in the district as a proportionate property tax credit.
    - Plan must determine how the credit is to be used – used either on a single occasion or over several years, but not beyond five years.

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- Reorganization Plan must include:
  - Map – existing districts & new district boundaries
  - Demographic characteristics
  - District enrollment – current and past 10 yrs
  - Projected enrollment – 10 yrs
  - Location, condition, and intended use for all district buildings & facilities
  - Planned improvement or construction of buildings & facilities
  - Course offerings

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- Planned administrative structure & number of FTE personnel to be employed
- Number of Board members and manner elected
- Student transportation
- Other entities providing service to new district (special education, REA, career & technical, etc.)
- Taxable valuation and per student valuation for each district and for the new district
- Amount of bonded & other indebtedness incurred by each participating district

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- Planned disposition of property, assets, debts, and liabilities of each participating district
- Proposed budget, general fund levy and other tax levies
- Name of new district – “school district” or “public school district” & no more than two additional words
- Any other pertinent information

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- **Public Hearing**

- Reorganization plan submitted to County Superintendent
  - Submit copies to DPI for initial review
- County Superintendent provides public notice of the hearing at least 14 days prior to the scheduled date of the meeting
- If no newspaper is published in the county, the notice must be published in official newspaper of an adjoining county

# Contents of Plan, Public Hearing, Testimony & Evidence NDCC 15.1-12-10

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- **County Committee**
  - If participating districts have property in more than one county and if the major portion of each district's property is in the same county, the county committee of that county considers the reorganization plan

# Contents of Plan, Public Hearing, Testimony & Evidence NDCC 15.1-12-10

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- **County Committee**
  - If participating districts are situated in more than one county and the major portion of each district's property is not in the same county, the county committees of those counties encompassing the major portion of each school district shall jointly consider the reorganization plan

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- **Public Hearing**
  - **Prior to the Hearing**
    - The county committee shall review the Reorganization Plan to ensure that all statutory requirements have been met
      - County States Attorney is legal counsel for the county committee (NDCC 15.1-10-04)

# Contents of Plan, Public Hearing, Testimony & Evidence NDCC 15.1-12-10

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- **Public Hearing – Testimony & Evidence**
  - Agenda (Committee introductions, public testimony, committee deliberations, motion to approve/deny, adjourn)
  - Accept testimony & evidence
    - Keep log (name, address, telephone & who they represent) of those who provide testimony & evidence.
    - May tape testimony / hearing

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- **Public Hearing**

- At least one County Committee must approve the plan
- County superintendent submits approved plan along with minutes, records, documentary evidence, and all other pertinent information to the State Board (Department of Public Instruction)

# Contents of Plan, Public Hearing, Testimony & Evidence

## NDCC 15.1-12-10

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- **State Board**
  - Provides public notice of meeting
  - State Board approves or denies the plan
  - Notifies Job Service ND
  - To become effective, the Reorganization Plan must meet all statutory requirements, receive approval of State Board and a majority of electors residing within each school district

# State Board of Public School Education – Elementary Districts 15.1-12-10.1

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- May not approve a reorganization plan that results in the creation of an elementary district

# Approved Plan, Election, Formation of New District

15.1-12-11

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- **County Superintendent**
  - Publish/Call a special election (14 days)
    - Time, place, date
    - Purpose of approving or rejecting plan
    - Describe boundaries of new district
    - Statement describing adjustment of property, debts, and liabilities; proposed tax levy
  - Election must occur between July 1 & December 31 of the year the State Board approves the plan or the following year
  - Appoints judges, clerks
  - Results certified by participating Boards and delivered to county superintendent within three days

# School District Reorganization – Formation of new district NDCC 15.1-12-11

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- **Plan Approved by Electors**
  - County superintendent – performs duties necessary to organize new school district
  - County superintendent – notifies Job Service ND regarding results of the election

# Vote on Issuance of Bonds

## NDCC 15.1-12-12

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- If Plan Proposes Issuance of Bonds
  - Question of Bond Issuance may be voted upon at same election
    - Each Board, by majority vote, passes identical resolution
  - If reorganization plan denied by voters, the bond issue is void.

# Proposal Rejection, Revision, New Election

NDCC 15.1-12-13

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- **Electors Reject Plan**

- County Committee may hold hearing to consider revised plan
  - After period of three months from date of election
- County Superintendent submits plan to State Board
- State Board approves or denies plan
- If approved, State Board notifies County Superintendent
- Election to consider the plan

# School Boards – Assumption of Duties

NDCC 15.1-12-14

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- New Board must be elected at next regular school board election or at a special election.
  - Follow NDCC 15.1-09 School Board Elections
- Before the completion of reorganization, Boards of existing districts may not enter into contracts or obligate the district unless approved by County Committee or specifically permitted by law

# School Board Duties

## NDCC 15.1-12-15

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- Negotiate with teachers and contract with teachers' representative organization prior to effective date of reorganization
- Offer contracts of employment
- Establish a time certain by which offers must be accepted or rejected

# School Board Duties

## NDCC 15.1-12-15

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- Master Contract . . .
  - If not signed by five pm on July 1 of the year the new district begins operation
    - No teacher will receive less in salary & benefits than received in previous year

# School Board Duties

## NDCC 15.1-12-15

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- On or before February 1 of the year the reorganization becomes effective . . .
- Public Hearing
  - Present curriculum, course offerings, staff positions to be available during coming year
  - Public notice of meeting must be given (14 days)

# School Board Duties

## NDCC 15.1-12-15

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- By five pm on April 15<sup>th</sup> of year in which reorganization becomes effective . . .
- Must notify each teacher employed by the district, in writing, whether or not the teacher will be offered a contract of employment with new district

# Issuance of Bonds – Procedure

## NDCC 15.1-12-16

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- May issue bonds if provided for in reorganization plan
- Follow NDCC 21-03-Bonds

# Building Fund Levy

## NDCC 15.1-12-16.1

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- Building Fund Levy
  - Proposal of up to ten mills may be included in reorganization plan

# Elementary Schools

## NDCC 15.1-12-17

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- Existing elementary schools may be closed upon approval of the Board

# Plan Approval, Effective Date, Transfer of Property NDCC 15.1-12-18

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- Effective date – July 1 following the approval of electors
- Within thirty days – all property must be turned over to the reorganized district as required by the reorganization plan
- Debts and liabilities become the debts and liabilities of the new district unless otherwise provided in the reorganization plan

# Contact Job Service ND

## NDCC 15.1-12-18.1

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- Reorganizing school districts must contact Job Service . . .
  - Get its estimation of new district's potential obligation for unemployment compensation potentially paid to personnel of existing districts.
  - New district is required to reimburse Job Service for and payments made

# Sale or Removal of School Buildings

## NDCC 15.1-12-19

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- Reorganized Board may sell or move buildings
- Petition calling for sale and signed by majority of electors in a former district, reorganized district must sell
- Petition to move a building to a designated location reorganized district must move the building
- Proceeds of sale deposited in either general or building fund
- Upon unanimous vote may sell for less than fair market value if recipient is political subdivision of the state

# Cost of Elections

## NDCC 15.1-12-20

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- Reorganization Plan Rejected . . .
  - Cost shared by participating districts based on percentage of real property in the proposed reorganized district
- Reorganization Plan Approved . . .
  - Cost paid by new district

# Changes in Plan

## NDCC 15.1-12-21

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- Provisions may be changed by majority of electors but boundaries of geographic voting areas may be changed by majority of electors only after 10 years

# Changes in Plan

## NDCC 15.1-12-21

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Placed before voters:

- Upon motion of the Board or
- Upon receipt of petition signed by at least . . .
  - 25% of electors, if district population is less than 25 electors
  - 20% of electors, if district population at least 25 but no more than 4,000
  - 15% of electors, if district population is greater than 4,000

# Changes in Plan

## NDCC 15.1-12-21

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- **By Board Resolution**
  - May change to “at large” voting if there is a variance of more than 10% in the population between any of the established geographic areas with resident candidates

# Board – Powers After Five Years

## NDCC 15.1-12-22

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- Board, 5 years after reorganization, may exercise all powers granted to school board by law regardless of the limitations of the reorganization plan
- But geographic voting areas may only be changed in accordance by majority of electors 10 years after reorganization

# Reorganization or Dissolution

## NDCC 15.1-12-24

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- **Non-operating School District**
  - Must, within one year . . .
    - Reorganize or dissolve
  - Must, after one year . . .
    - Dissolve

# Additional Resources

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- 2007 North Dakota Century Code
  - <http://www.legis.nd.gov/information/statutes/cent-code.html>
- Reorganization Plan Workbook
  - <http://www.dpi.state.nd.us/finance/org/planwrkbbk.pdf>
- Vote a Success – Now What?
  - <http://www.dpi.state.nd.us/finance/org/reorg.pdf>
- Reorganization Plan - Required Information
  - <http://www.dpi.state.nd.us/finance/org/reorgrequire.pdf>
- School District Reorganization
  - <http://www.dpi.state.nd.us/finance/org/reorgflowchart.pdf>

## Related NDCC

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- Chapter 15.1-09 School Boards
- Chapter 15.1-16 Teacher Representation & Negotiation
- Chapter 21-03 Bonds
- Sections 15-53.1-37 & 15-53.1-38

## For Additional Information

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