

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1346

2001 HOUSE EDUCATION

HB 1346

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1346

House Education Committee

Conference Committee

Hearing Date 2-06-01

Tape Number	Side A	Side B	Meter #
2	xx		1875--end
2		xx	1--315
3	xx		2760--3000
Committee Clerk Signature <i>[Signature]</i>			

Minutes: Chair Kelsch opened the hearing on HB1346 relating to tuition agreements for students attending school in bordering states.

Rep. Bob Skarphol, Dist 2 : in support of HB1346. This bill came about when I had a conversation with superintendents in my district. It deals with equity and local control. This is in case HB1045 doesn't pass. This one would take effect. This kind of takes the control, somewhat, out of the hands of DPI, and gives it back to the local school boards, so they become actively involved in the negotiations as to the price involved in educating a student in another state. Under current law, there are variations in what school districts in ND pay to have a student from that school district be educated in an out of state school district. In my district, there are three different figures utilized, and I believe two of those districts are in violation of state law, the way I read it; but I'm not an attorney. With the state of Montana, right now, they are required to pay \$5,508 for each student that they educate out of state. This figure was by the Superintendent of Public Instruction of ND and the Superintendent of Public Instruction of MT.

The school is required to pay that amount. I feel we are taking property tax dollars from our local school districts to subsidize the schools in MT. MT school also receives a foundation aid payment for that student as well. I think this is inequitable. We should have a situation that requires ND students, who are educated out-of-state, to only have the money to follow them that would follow a ND student that would open and roll into an instate school district.

Chair Kelseh : (2300) I was a bit concerned, when looking at page 1, that you may have taken out some safeguards.

Rep. Skurphol : My intent was not to limit the amount that the school district can pay to the out-of-state in case there were a situation in which it was beneficial for them to do so. Say, they had a special education student that would cost them \$20,000 to care for in their school, and they can contract with an adjoining state for \$10,000. It would be more cost effective for them to do that.

Rep. Aarsyold, Dist 20 : (2530) here in support of this bill. Whenever I read this section and read the word "reciprocal", it really isn't the case. Most all of the cards are stacked on the MN side. It's difficult for us to work with them at all because of that master agreement with the state of MN. Reciprocity should involve some equity and that has not been the case in the past. We have no students coming from MN to ND. We do send a lot of students from ND to MN. A lot of money goes across the river from my district to MN.

Clifton Lee, Superintendent of Grenora School Dist. : (2760) In 1989, the legislature decided that school districts in ND must be together. They could not be a taxing entity and then have their kids go to school in MT, MN, or SD. The Grenora School District was convinced to assume the property of Westby School Dist. That taxing entity became part of Grenora School Dist. Our reciprocal agreement has escalated in cost. The number of students going to MT has

gone down, but we are still paying more money from our school district than we are receiving in foundation aid and tuition apportionment. We have never received one of the Westby, MT students to our school district. For elementary students, the cost is \$4,080 per student. It's \$5,508 per high school student. We receive \$2889 from foundation aid and tuition doesn't cover the cost we pay out. We see about \$35,000 going over to MT that we don't get back from foundation aid, etc. This is a tax liability on our local school district. It was far greater a few years ago.

Rep. Haas : (3650) If you had the ability to negotiate a contract, and couldn't come to an agreement, what would happen?

Mr. Lee : The way our open enrollment law works in ND, our school board would send the money over there. We would send what we receive, but not more, is what they my seven member board told me. We would dearly love to negotiate. The Westby administrator told me that they make out like bandits. That really disturbed me. We get the money from MT for these students, and we get the money from ND. If we didn't have your students, we would probably have to close the school,

Rep. Nottestad : What is the average cost for your high school students, plus transportation, for your school?

Mr. Lee : Grenora School Dist. costs are within the top ten of the state in most expensive as an average per pupil cost.

Rep. Nelson : How much property tax do you take in from that acquired land every year?

Mr. Lee : Around \$30,000.

Rep. Nelson : Why do the students want to go to Westby in the first place?

Mr. Lee : I have not been able to figure that out the 11 years I have been in Grenora. Some students are within 5 miles and some 12 miles from Grenora.

Mike Bitz, Supt. Hillsboro Dist. #9 : (4375) here in support of HB1346. (SEE ATTACHED)

Rep. Nelson : Do you have any students from MN coming to ND?

Mike : Yes. We have students going to Mayville and coming from Mayville, it's a wash. We don't loose or pick up students. When a student of ours goes to Mayville, we don't provide transportation. We don't have to take our bus and drop them off at their front door.

Rep. Nelson : If you did have to negotiate an agreement with a neighboring district in excess of the payments, would you have the same philosophy with the ND district as you do with the MN district?

Mike : I can live with that.

Tom Decker, DPI : (5260) here in support of HB1346. (SEE ATTACHED) We have decided it may be best to let this go back to individual district negotiations situation. It's not as simple as it sounds. It has to do with geography, mainly, why more ND students go out then come in. If the shoe was on the other foot, and we were having more students coming in then going out, we may not have this bill here. Part of the problem with the MT border is not of our making. For years, MT allowed their districts to double-dip. They developed rich budgets and operating habits that MT is now trying to wean from, and that is a difficult process. I'm assured by the folks in MT that it will happen. The district of residence should bear the full responsibility for paying the cost of education for their resident students. That is the standard we use consistently. The other key issue is open enrollment. We have decided that open enrollment is good for ND students and let parents decide. What about the parents that live around the border? Should they not have the same option? It shouldn't. Parents should still be allowed the option of finding the

best education for their students.(end Tape 2, side A) (Begin Tape 2, side B) MN costs for education is much higher then ND. Teachers make \$10,000 to 12,000 more then ND teachers.

Rep. Haas : (155) How long do you think it will take to develop an open enrollment agreement with our neighbors? Are there negotiations in progress now?

Mr. Decker : I have had conversations with both MT and SD recently. MT is interested. SD hasn't decided yet. They need a little push.

Rep. Haas : I had 6 e-mail's from people from Hettinger County. They have children currently going to school in Rugby. Their concern is what happens if the districts can't come to an agreement, when our local board may say they will have to start paying tuition to stay in Rugby.

Mr. Decker : We need to keep open enrollment, so that shouldn't happen, I believe.

Chair Kelsch : Any more testimony for or against? Hearing none, we are closed.

(Tape 3, side A, (2760) Chair Kelsch : Take up HB1346.

Rep. Hawken : I move a DO PASS.

Rep. Meier : I second.

VOTE: 13 YES and 1 NO with 1 absent. PASSED. Rep. Solberg will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/18/2001

Bill/Resolution No.: HB 1346

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

No identifiable fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Tom Decker	Agency:	Public Instruction
Phone Number:	328-2267	Date Prepared:	01/19/2001

Date: 2/6/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1346

House House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Hawken Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch	✓		Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard			Rep. Lyle Hanson	✓	
Rep. Larry Bellew		✓	Rep. Bob Hunsakor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg	✓	
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meier	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 13 Click here to type Yes Vote No 1 Click here to type No Vote

Absent 1

Floor Assignment Click here to type Floor Assignment Rep. Solberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 6, 2001 4:55 p.m.

Module No: HR-21-2540
Carrier: Solberg
insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1346: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1346 was placed on the
Eleventh order on the calendar.

2001 SENATE EDUCATION

HB 1346

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1346

Senate Education Committee

Conference Committee

Hearing Date 02-20-01

Tape Number	Side A	Side B	Meter #
1		x	12.6 - 53.0
Committee Clerk Signature <i>Sandra Johnson</i>			

Minutes: CHAIRMAN FREBORG called the hearing on HB 1346 which relates to tuition agreements for students attending school in bordering states.

Testimony in support of HB 1346:

REPRESENTATIVE SKARPHOL, District 2, Tioga, stated this bill was introduced at the request of one of the school districts in western ND. This bill creates a situation that gives back more control to the local school districts. Under current law, there is the ability for DPI to negotiate reciprocity agreements with our neighboring states. To clarify this: If a school district grants that a student can attend an out-of-state school for whatever reason, then DPI of ND and DPI of the other state negotiate the reciprocity agreement and set the price. The school district does have the ability to say no to the student. In the case of Montana and Minnesota the agreements have been negotiated. With South Dakota, it has not been negotiated.

Under the South Dakota scenario, the ND and SD bordering school districts have the ability to negotiate with each other. With Montana and Minnesota, there have been reciprocity agreements

negotiated and dollar amounts established for payment to the adjacent state. (In the case of the Grenora School District, which is the school district that asked Rep. Skarphol to introduce this legislation, they pay \$5508 to the state of Montana for each student attending school there from North Dakota. There have been some recent changes in this amount, but he is not sure what they are.). This legislation leaves in place the right to negotiate the reciprocity agreements. However, if the local school board does not wish to accept that, they have the ability to negotiate with the adjacent school district in North Dakota. There are about 13 students from Grenora that attend in Montana. This is a significant drain on their resources. Grenora is a K - 12 school district.

REPRESENTATIVE AARSVOLD, District 20, spoke in support of this bill. In his district there are about 30 students attending schools in Minnesota. These students are from three different schools. For some families, it is a matter of convenience. The district of residence pays the transportation costs for the students. There is not a very reciprocal arrangement in place as of now. He doesn't think there are any Minnesota students coming to ND schools.

TOM DECKER, DPI, said neighboring states are terminating reciprocal agreements. Minnesota isn't right now, but they really don't want to negotiate. Typically, the maximum amount is paid to the out-of-state school district. Montana is the only state that "double dips". They receive foundation aid from both Montana and ND for the students from out-of-state. He presented a sheet which shows the number of students attending out-of-state schools and the amount of money they take with them. (seem attached). The resident district needs to retain the responsibility to educate the students from their district, otherwise the district receiving ND students is in the "drivers seat". SENATOR FREBORG asked if ND got tough and pulled the 30 students out of the Minnesota schools, wouldn't they be more willing to negotiate a better agreement. MR. DECKER feels DPI needs the strength of this legislation to engage in better

bargaining for ND. SENATOR FLAKOLL wondered if there are legislative changes in neighboring states that have to be done in order for this legislation to be useful. MR. DECKER feels the out-of-state schools like it this way; they are definitely getting more money this way. He feels it is more difficult for Minnesota students to come to ND

There being no opposition to HB 1346, CHAIRMAN FREBORG closed the hearing.

Discussion continued. SENATOR COOK feels this bill takes the Superintendent of Public Instruction out of the picture and will eliminate reciprocal agreements. SENATOR KELSH referred to the agreement of 10 years ago that said a sibling of a person attending across-the-border schools would also be eligible.

SENATOR KELSH moved a DO PASS. Seconded by SENATOR CHRISTENSON.

Discussion. SENATOR WANZEK feels the local districts can say no to across-the-border enrollments, or they can negotiate with them for the students. This legislation puts some parameters on the local districts. TOM DECKER was asked what amount ND receives from the out-of-state students attending a school in ND. He was not able to answer but stated they would have to charge at least what they would get in state aid.

Roll Call Vote: 6 YES, 1 NO, 0 Absent. Motion Carried.

Carrier: SENATOR KELSH

REPORT OF STANDING COMMITTEE (410)
February 20, 2001 12:30 p.m.

Module No: SR-31-3989
Carrier: Kelsh
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1346: Education Committee (Sen. Freborg, Chairman) recommends DO PASS
(6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1346 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

HB 1346

Madam Chairman & Members of the House Education Committee:

My name is Mike Bitz and I work as the superintendent of the Hillsboro School District. I am here today **to speak to you in favor of HB 1346**. This bill would allow school districts in North Dakota to negotiate the tuition they pay to out-of-state school districts.

According to DPI, the state of North Dakota has 193 students being educated in Minnesota, South Dakota, & Montana. Only 98 students from these states cross the border to attend school in North Dakota. This is a net **loss of 95 students, and the money that goes with them, to the state of North Dakota.**

I have no problem with parents choosing to send their children to the school of their choice. I do however, have a problem with the local school district being financially responsible for that choice, especially when the students and the money are leaving the state of North Dakota.

Under current law the superintendent of public instruction negotiates a reciprocal master agreement for tuition with each bordering state. A school district may either comply with the terms of the master agreement or negotiate their own agreement with the out-of state school district. **We have little bargaining power with the out-of-state districts because they hold all the cards.** If we are unable to reach an agreement with the out-of-state school district we must pay the full cost of education, which is \$5,000-\$6,000 per student.

According to NDCC 15-40.2-09 if the school district of residence denies the request for attendance and payment of tuition in another state, an appeal may be made to a three member committee (county superintendent of schools, the state's attorney, and a third member appointed by the county commissioners). One criteria that this committee is required to use is distance to the schools. Although none of the students leaving the Hillsboro School District to attend school in MN lives more than 20 minutes from Hillsboro, they are still closer to the school in Halstad, MN. It is for this reason that the Hillsboro School feels it is powerless to deny requests.

Last year the Hillsboro School District paid tuition and provided transportation for 23 students to attend school in Minnesota. This year we have **27 students attending school in Minnesota**. The reason we are providing transportation for our kids to attend school in MN is that it was one of the things we negotiated to lower our tuition payment to Norman County West. In exchange for us providing transportation, Norman County West gave us a break on our tuition bill.

I am asking that you **give HB 1346 a "Do Pass" recommendation** and I would be happy to answer any questions. Thank You.

Tom Decker AB1346

Legislative Council request

ND Students Educated in Bordering States
As of November 1, 2000

CODIST	DNAME	PK	KG	Gr1-6	Gr7-8	Gr-12	Total	Educating School
1013	HETTINGER 13	.	3	16	2	10	31	Lemmon
9097	NORTHERN CASS 97	.	.	.	.	1	1	Hendrum
12001	DIVIDE COUNTY 1	.	.	1	.	.	1	Westby
15010	BAKKER 10	.	.	.	.	7	7	Pollock
15012	UNION 12	.	.	2	3	8	13	Pollock
19018	ROOSEVELT 18	1	.	2	1	2	6	McIntosh
27014	YELLOWSTONE 14	.	.	.	.	32	32	Fairview
27018	LARL 18	.	.	.	.	1	1	Sidney
30039	FLASHER 39	.	.	1	.	5	6	McIntosh
39008	HANKINSON 8	.	.	.	.	2	2	Rosholt
39037	WAHPETON 37	.	.	2	.	1	3	Breckenridge
43008	SELFRIDGE 8	1	3	7	4	13	28	Selldge
44012	MARMARTH 12	.	.	.	1	3	4	Baker
49003	CENTRAL VALLEY 3	.	.	1	2	3	6	Climax
49009	HILLSBORO 9	.	1	7	4	9	21	Halstad
53008	EIGHT MILE 8	.	.	.	2	2	4	Bainville
53008	NEW 8	.	.	7	5	7	19	Bainville
53099	GRENORA 99	.	2	7	2	6	17	Westby
Statewide fall enrollment		2	9	53	26	112	202	

CODIST	DNAME	PK	KG	Gr1-6	Gr7-8	Gr-12	Total wpu	Est. Foundation Aid (y \$2200
1013	HETTINGER 13	2.09	.	18.28	2.35	14.27	36.99	82.488
9097	NORTHERN CASS 97	.	.	.	.	1.43	1.43	3.189
12001	DIVIDE COUNTY 1	.	.	1.14	.	.	1.14	2.542
15010	BAKKER 10	.	.	.	.	12.41	12.41	27.674
15012	UNION 12	.	.	3.12	4.68	14.19	21.99	49.038
19018	ROOSEVELT 18	.	1.46	2.91	1.17	3.55	9.09	20.271
27014	YELLOWSTONE 14	.	.	.	.	56.75	56.75	126.553
27018	LARL 18	.	.	.	.	1.77	1.77	3.947
30039	FLASHER 39	.	.	1.46	.	8.87	10.33	23.036
39008	HANKINSON 8	.	.	.	.	2.85	2.85	6.356
39037	WAHPETON 37	.	.	2.28	.	1.26	3.54	7.894
43008	SELFRIDGE 8	2.09	1.46	10.20	4.70	23.06	41.51	92.567
44012	MARMARTH 12	.	.	.	1.17	5.32	6.49	14.473
49003	CENTRAL VALLEY 3	.	.	1.14	2.35	4.28	7.77	17.327
49009	HILLSBORO 9	0.70	.	8.00	4.70	12.84	26.24	58.515
53008	EIGHT MILE 8	.	.	.	2.35	3.55	5.90	13.157
53008	NEW 8	.	.	8.00	5.87	12.41	26.28	58.604
53099	GRENORA 99	1.39	.	10.20	2.35	10.64	24.58	54.813
Statewide weighted pupil units		8.27	2.92	66.73	31.69	189.45	297.06	662.444

NDCC 16-40.2-10 Reciprocal master agreements

Foundation aid is paid to the resident district. Weighted units are increased 20%

The resident district must pay tuition to out of state school based on a reciprocal master agreement between the appropriate education agencies (if it exists) or a negotiated amount within the limitations set out in NDCC 16-40.2-10. There are 80 students attending ND schools from bordering states.

Reciprocal tuition agreement amounts for 1998-2000 (latest available)

Minnesota

9-12 5,508
K-8 4,080

Montana

7-12 5,339
K-8 4,353

South Dakota does not participate in reciprocal master agreements with ND

Out of State Students Educated in North Dakota
As of November 1, 2000

CODIST	DNAME	PK	KG	Gr1-6	Gr7-8	Gr-12	Total
30001	MANDAN 1	.	.	.	.	1	1
6001	BOWMAN 1	.	.	.	.	2	2
6017	RHAME 17	.	1	1	.	.	2
17006	LONE TREE 6	.	.	1	1	.	2
2052	LITCHVILLE 52	.	.	6	.	.	6
39018	FAIRMOUNT 18	.	.	6	1	.	7
6033	SCRANTON 33	.	.	4	2	9	15
17003	BEACH 3	.	.	1	4	13	18
1013	HETTINGER 13	.	.	5	4	18	27
	Statewide	.	1	24	12	43	80
	Private schools						13