

# MICROFILM DIVIDER

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



ROLL NUMBER
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DESCRIPTION

2481

2007 SENATE EDUCATION

SB 2401

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2401

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2133, 2211

Committee Clerk Signature

Minutes:

Senator Taylor introduced the bill. The bill deals with the rising cost of diesel fuel, tires and other costs associated with school bus transportation. As a child he was first on the school bus and last off so he has a lot of experience with school buses. School buses serve a vital roll in our rural districts and some of our urban districts. We have been engaged in a thoughtful discussion this session about educational equity and adequacy. Before we can educate our children, they have to get to the door of the school. The Governor's Commission rightly chose not to get involved in transportation issues as they worked on a new formula. The school districts across the state have faced rising costs in their transportation systems. Transportation has been block granted the last couple of sessions, based on a formula of miles and rides. This bill takes the large rural buses from \$.67 cents to \$1/mile, small rural buses from .40 to .60 per mile. He intended to increase the rate for large city buses but he must have been working with old numbers because the bill does not show an increase. He would be amiable to an amendment. He discussed two handouts he distributed related to transportation costs. The current cost per mile is \$1.55 so at \$1 per mile the state is still not covering 2/3. Senator Gary Lee asked if there were an amendment to include large city buses, how much increase would he recommend.

Senator Taylor said there are different parameters for city buses because of ridership and student numbers. 70 cents maybe. He doesn't think it would increase the fiscal note very much because they don't use the transportation dollars as much as the rural folks.

Senator O'Connell testified in favor of the bill. . Since 1997 there has been no change in the per mile reimbursement. The rate was dropped at one point when the state was struggling financially.

Sandy Clark, North Dakota Farm Bureau, testified in favor of the bill. The costs have increased for school transportation. A lot of their members sit on school boards and are parents. They like the block granting system. They have no problem with an increase in the city rate as well. She thinks there was an increase in the city rate a couple of sessions ago. There is a hefty fiscal note and they can understand if the committee needs to back off and rearrange the numbers. They appreciate the intent of the bill. Their members do not expect 100% payment for transportation expenses.

Karla Pulvermacher, North Dakota Farmers Union, testified in favor of the bill. There is a substantial fiscal note but it is vital to help keep the rural communities viable.

Brian Nelson, Lewis and Clark school district testified in favor of the bill. His district includes Berthold, Ryder, Makoti and Plaza, 880 square miles. He is the transportation supervisor in his district. School buses that they used to buy for \$56,000 4 years ago are now priced in the upper \$60,000 range for both Bluebird and Ward. The standards must have changed; they have jumped \$12,000 in price. Fuel costs are up. They run 10 routes. They drive old buses for extra curricular activities.

Senator Flakoll asked if their buses are gas or diesel.

Mr. Nelson said they are all diesel. They have 7 spares that are used for extra curricular activities or for break downs. They had to overhaul a motor recently and it cost \$12,000.

Debby Marshall, Superintendent, TGU school district, testified in favor of the bill. They have a large district, 1100 square miles. They had 14 routes in 03 – 04 and have 11 current routes. They lost 6.25% in their enrollment last year. Even though they decreased their bus routes, they have only decreased their miles by 17,000. Their routes change constantly. Their budget in 04-05 increased by \$66,000. Last year they spent over \$70,000 in diesel fuel. This year they are projecting \$110,000 in diesel fuel expenses. They have a budget of \$372,000 for their bus routes.

Steve Holen, Superintendent of McKenzie County school district, testified in favor of the bill. Their district is 1679 square miles and may increase, surrounding districts are dissolving and they may be taking in that land. They have about 25 routes, 300,000 miles per year, budget of \$500,000 annually which has increased substantially the last 2 years. They have students that already ride in the 90 minute range. Bus costs have increased. They have a fleet of 35 buses. It is hard to find drivers; they must have competitive wages to compete with the oil field.

Doug Johnson, NDCEL, testified in favor of the bill. The school districts need more money for transportation.

Senator Gary Lee asked if the estimate that 50% of costs are paid by the state is correct.

Mr. Johnson said he doesn't know, he would guess that is pretty accurate.

Chairman Freborg closed the hearing on SB 2401.

Senator Flakoll said he is more inclined to support a more modest approach to rural and city buses.

Senator Bakke said Grand Forks does not have bus service except for special education students.

Senator Taylor said there has not been an increase in the large bus rate for 10 years.

Chairman Freborg said we are a little ambitious. If we are serious about getting some more money for transportation, we need to be a little more realistic. There are too many bills coming out with a lot of money.

Senator Taylor said on the '97 formula, transportation payments were capped at 90% of the current transportation operating costs so we were doing considerably more than the 50% we are doing today. We have seen an increase in the per mile rate in small rural buses (currently .40/mile) and the city limit buses (currently .50/mile, 10 years ago .25/mile). They have seen some increase. What we would want to do most in the bill is get some kind of increase in the large rural buses. He likes the block grant idea and would want to have an amendment drafted so the new formula would be for the first year of the biennium and a block grant for the second year. When he asked the school districts why they run large buses, he was told that they hold up better on the rough country roads. That is part of the block granting, it allows them to innovate.

Chairman Freborg said we need to establish a new base.

Senator Flakoll said we propped up the small buses with the hope they would use smaller buses. We have heard testimony that we are paying about 50% of transportation costs, we pay 42% of education costs. We are trying to pay more education costs. We have a constitutional obligation for educational costs, not for bussing.

Senator Gary Lee said we have an obligation by law to provide transportation in a reorganized district.

Chairman Freborg said that started with major reorganization, years back. We get ourselves in trouble, times change. We wanted to promote reorganization, now we would rather we were not paying for transportation. The school districts have a choice.

Senator Gary Lee asked if the law no longer states the requirement for providing transportation.

Chairman Freborg said he is not sure, he doesn't believe it is exactly like it was. He remembers a one word amendment, shall to may. He remembers that now.

Senator Bakke asked if moving to .75 or .80 would be more acceptable. Small buses have increased from .25 to .40 and large city have gone from .25 to .50.

Senator Flakoll said when they increased urban buses, they did not add dollars, and they just reshuffled, based on relative percentages.

Senator Taylor said percentage wise that does not lend much to the direction we want to go. In city was doubled and small rural went up by a factor of 1.6. A 1.6 increase of .67 would be \$1.07. He would like the bill to move and he wants to look at large rural buses. If it would move along, we could look at .85.

Senator Flakoll said when we tweaked this in 2001, if we looked at incremental growth of 5 or 10 cents, we would be where Senator Taylor wants to be today. It's a matter of wanting to give up good for great.

Chairman Freborg said there are not a lot of proponents of not paying transportation. Put the money in foundation aid and that is why he does not want to be too ambitious or that is where it will end up.

Senator Taylor said he would hate to be the one who made that move; there would be quite a revolt. You can only kick a country kid so many times before they start fighting. .80 - .90 is fair. He does not want to motivate the folks who want to do something dastardly to bus transportation.

Senator Bakke said what if transportation was a weighting factor.

Senator Taylor said it would still be per student.

Chairman Freborg asked what Senator Flakoll thought was reasonable for a city rate.

Senator Flakoll said none of this will get to a point where he thinks it's reasonable. When a school takes a bus out in the country, they are paid .67 per mile, when the same students get into town; they are paid .50/mile. How much would it cost us if we raised it .05 in city and raised it .08 in the country to .75.

There was some discussion of in city rides and per student payments for rural students and the formula and how it relates to block grants.

Senator Flakoll said he would recommend large bus rural at .75 and large bus urban at .55.

Senator Bakke said she would rather put the extra .05 on the rural rate than the city rate, they have farther to go.

Senator Flakoll said that is why they are paid per mile.

Senator Flakoll said there are credible points on each side of the issue. In the country they have to deal with gravel roads. In town, they have to deal with potholes, brakes, poor mileage due to stop and go traffic.

Chairman Freborg requested a motion.

Senator Taylor said when you debate the issue, we hear from the rural superintendents; they want it changed the most. We never hear from the city superintendents. He would recommend an amendment with a 2<sup>nd</sup> year block grant, going to .80 on the rural (\$5 million additional fiscal) leave small rural at .40, city large buses to .55 and leave small city at .25.

Senator Flakoll reviewed the amendment and asked for an estimate on cost.

Senator Taylor said he would estimate \$5,018,000 for rural buses.

Chairman Freborg said that is somewhat better.

Senator Flakoll said it is hard to compute the cost of the city miles. Bismarck shows at \$1.4 million for transportation; that is what they get from the state. Department of Public Instruction knows. We would need a new fiscal note.

Senator Taylor moved an amendment to put the first year on a formula, the second year on a block grant; in subsection A, insert 5 to equal .55, in subsection B, strike \$1 and insert .80, and in lines 12 and 13, overstrike .69 and insert .40 (leave the language at the old rate), seconded by Senator Bakke.

Chairman Freborg said this is more acceptable.

Senator Flakoll said the advantage has gone from a .17 advantage to a .23 advantage, the big schools get beat up again.

Chairman Freborg said you are better off now than you were an hour ago.

Senator Flakoll said he just wants the big schools to be treated fairly.

The motion passed 4-1-0.

Senator Bakke moved a Do Pass As Amended and Rerefer to Appropriations on SB 2401, seconded by Senator Taylor. The motion passed 4-1-0. Senator Taylor will carry the bill.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2401

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: 2325

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2401. All members were present.

Senator Gary Lee moved to reconsider the action of the committee on SB 2401, seconded by Senator Flakoll.

Senator Gary Lee said there seemed to be some interest in changing the urban bus rate.

The motion passed 4 – 1.

Senator Flakoll moved to change the urban rate for large buses to 60 cents per mile, seconded by Senator Gary Lee.

Senator Flakoll said the Taylor amendment was at 55 cents.

Senator Taylor said he does not have a resistance to that. Does Senator Flakoll have a handle on the miles?

Senator Flakoll said he does not, it would be the same miles as yesterday.

Senator Taylor said if its 2 million miles, that's another \$100,000 on the fiscal.

Senator Flakoll said there is still a significant differential between the urban and rural buses, this levels it a little in some people's minds. There is a good bill out there that will use this number as a basis for increasing the potential by 10% for those folks who use biodiesel.

The motion passed 5 – 0.

Senator Taylor moved a Do Pass As Amended and Rerefer to Appropriations on SB 2410,  
seconded by Senator Gary Lee.

The motion passed 5 – 0. Senator Taylor will carry the bill.

**FISCAL NOTE**  
**Requested by Legislative Council**  
03/15/2007

Amendment to:           Engrossed  
                                  SB 2401

**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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$33,500,000	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$33,500,000	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill sets the distribution methodology for school district transportation grants appropriated in SB 2013.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

**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.*

The language in the bill assures the entire amount appropriated will be distributed.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

SB 2013 appropriates \$33,500,000 for transportation grants to school districts.

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	03/15/2007

# FISCAL NOTE

Requested by Legislative Council

02/05/2007

Amendment to: SB 2401

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$37,850,000	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$33,500,000	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill sets the methodology for the transportation grants for school districts. Large rural bus rates are increased from \$.67 to \$.80 per mile. Large in-city bus rates are increased from \$.50 to \$.60 per mile. All other rates are as prescribed for the 2005-2007 biennium.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The rate changes result in increases in transportation entitlements of \$5,160,000 for the biennium based on 20 million annual bus miles (19.3 rural, .7 in-city).

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.*

Based on 2005-06 school transportation statistics, total transportation expenditures are estimated at \$37,850,000 for the biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

SB 2013 appropriates \$33,500,000 for transportation grants to school districts.

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	02/05/2007

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/23/2007

Bill/Resolution No.: SB 2401

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$45,100,000	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$33,500,000	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill sets the methodology for the transportation grants for school districts. Large rural bus rates are increased from \$.67 to \$1.00 per mile. Small rural bus rates are increased from \$.40 to \$.60 per mile. All other rates are as prescribed for the 2005-2007 biennium.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The rate changes result in increases in transportation entitlements of \$13,000,000 for the biennium based on 20 million annual rural bus miles (19.3 large, .7 small).

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.*

Based on 2005-06 school transportation statistics, total transportation expenditures are estimated at \$45,100,000 for the biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

SB 2013 appropriates \$33,500,000 for transportation grants to school districts.

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	01/25/2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2401

Page 1, line 4, after "1." insert "a." and replace "each" with "the first"

Page 1, line 8, replace "a. Fifty" with "(1) Fifty-five"

Page 1, line 10, replace "b. One dollar" with "(2) Eighty cents"

Page 1, line 12, replace "c. Sixty" with "(3) Forty"

Page 1, after line 13, insert:

- "b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount that the district received under this section for transportation services provided during the first year of the biennium."

Renumber accordingly











**REPORT OF STANDING COMMITTEE**

**SB 2401: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2401 was placed on the Sixth order on the calendar.**

Page 1, line 4, after "1." insert "a." and replace "each" with "the first"

Page 1, line 8, replace "a. Fifty" with "(1) Sixty"

Page 1, line 10, replace "b. One dollar" with "(2) Eighty cents"

Page 1, line 12, replace "c. Sixty" with "(3) Forty"

Page 1, after line 13, insert:

- "b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium."

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2401

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2401

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-09-07

Recorder Job Number: 3329

Committee Clerk Signature

*Alice Delzer*

Minutes:

**Chairman Holmberg** opened the hearing on SB 2401 at 2:25 pm on February 9, 2007 regarding School District Transportation Bus Grants.

The written testimonies that were presented on this bill will also go into SB 2408.

**Senator Ryan M. Taylor, District 7, Towner** provided written testimony (1) and (1A) and oral testimony in support of the bill.

**Chairman Holmberg** had question regarding the amount of the fiscal note.

**Doug Johnson, Executive Director of North Dakota Council of Education Leaders** and I am here in support of SB 2401. Mention was made of other bills and the governor's budget relating to this subject.

**Chairman Holmberg** asked if his organization had to prioritize if this would this come in ahead of the 80 some million dollars in the governor's budget.

**Chairman Holmberg** asked if anyone else wanted to testify on SB 2401. Seeing none, the hearing was closed on SB 2401.

Written testimony (2) was distributed to the committee after the hearing closed.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2401

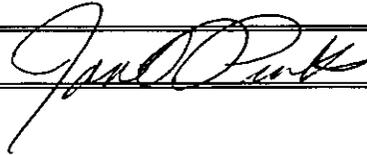
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02/13/07

Recorder Job Number: 3472

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the hearing on SB 2401 describing the bill.

**Senator Christmann** moved a **DO NOT PASS** on SB 2401, **Senator Bowman** seconded. A roll call vote was taken resulting in 8 yes, 6 no, 0 absent. The motion carried and

**Senator Wardner** will carry the bill.

**Chairman Holmberg** closed the hearing on SB 2401.

Date: 2/13/07  
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2701**

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DUP

Motion Made By Christmann Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter		✓
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas		✓
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern		✓
Senator Randel Christmann	✓		Senator Larry J. Robinson		✓
Senator Tom Fischer	✓		Senator Tom Seymour		✓
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		✓
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 8 No 6

Absent \_\_\_\_\_

Floor Assignment Wardner

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

REPORT OF STANDING COMMITTEE (410)  
February 14, 2007 8:30 a.m.

Module No: SR-31-3176  
Carrier: Wardner  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2401, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **DO NOT PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed SB 2401 was placed on the Eleventh order on the calendar.

2007 HOUSE EDUCATION

SB 2401

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2401**

## House Education Committee

Check here for Conference Committee

Hearing Date: **6 March 2007**

Recorder Job Number: **4445**

Committee Clerk Signature



Minutes:

**Chairman Kelsch opened the hearing SB 2401.**

**Senator Ryan Taylor, District 7, introduced the bill. (Testimony Attached.)**

**Representative Hanson:** On your mileage between urban and rural shouldn't that be reversed? You get better mileage when you get out in the country rather than start and stop in town.

**Senator Taylor:** There has been that discrepancy in the past and I think this is about the same gap. I don't have the formula in front of me but as you know there is ridership figured into the formula as well. There's debate there in terms what's the tough run for the school bus whether it's city or whether it's in the country but generally when you consider ridership the urban rates are doing alright because they get credit for the ridership as well.

**Representative Hanson:** I'd differ with you on that because in town you got a full bus going but in rural you see about 7 kids and the rest is all vacant.

**Senator Taylor:** We're open to narrowing that gap if folks see fit. The urban miles are relatively small. I think you will see on the fiscal note that of the 20,000 miles covered under this bill 19.3 is rural and .7 is urban. If the urban wanted to get closer to that 80 cent rate it wouldn't be a huge impact to the fiscal note.

**Representative Herbel:** I look at the numbers you brought in here and look at the percentage of the cost of funding education locally; it looks like we're fairly close to what the state funding is right now in terms of percentage. I thought we had lost more over the years. Do you have any numbers on how you determined this?

**Senator Taylor:** We have lost. We were higher. I don't have the number as we go back. I think the last numbers were \$1.55. I believe some of the larger rural buses were at 80 cents at one time back in the eighties and then it was taken down to 67.5. We were probably paying 70% of the transportation or thereabouts for transportation. Now we're down to less than 50%. My goal would be to get it back up to 70%.

**Representative Mueller:** Are there any other transportation funding things out any place else that you are aware of? If there are, are there any comparison and contrasts to be done.

**Senator Taylor:** There is none that I am aware of. Right now we just have a line item in DPI's budget. If we don't look at a bill like this that reinstates that block grant program we don't have a vehicle for that.

**Chairman Kelsch:** The Commission looked at transportation and because the law suit didn't deal with transportation we felt it was not something we should get involved in. Transportation is not in the constitution as something that the state is required to students. We kind of left it alone and basically said the same thing that Senator Taylor said—we like the block grant and think they have been working well. The problem is that we don't have a basis other than going back 6 years to the formula. Obviously things have changed a lot in some of these school districts in the past six years. The other issue is that we tried to look at what other states do and it was extremely difficult for us to come up with anything because a lot of states are putting it out in block grant and some states jackpotting all the money and distributing it out on their formula.

**Representative Herbel:** I have a lot of people that are dissatisfied in my area with the block grant for transportation. Was there any reaction like that in your district?

**Senator Taylor:** I have not heard that if it is out there and we have not heard that in the Senate Education Committee when the bill was presented.

**Representative Hanson:** What is the line item figure in the DPI for transportation?

**Senator Taylor:** It's \$33.5 million. If can save SB 2401, it will be \$37 million.

**Representative Dorvan Solberg, District 2, testified in favor of the bill.** I have studied school transportation since my younger days with a '38 Chevrolet pickup with chains on it and loaded with snow on the back and when the snow got too deep, it was a horse. Then we were fortunate enough to get a transportation system that saved a lot of rural folks a lot of headaches. It has progressed and improved a lot however we are still struggling for funding and I am obviously supporting SB 2401 and I am cosponsor. The eight superintendents in my district say this is their number one issue as far things they have to deal with--the inadequacy of the funding. I would urge a do pass recommendation.

**Dean Rolston, superintendent of Rock Lake, testified in favor of the bill.** Right now our transportation costs to run our buses are in the neighborhood of \$1.67 a mile. I have two routes. One runs 58 and the other runs 38 miles. Needless to say, the cost of transportation for us is significant so any increase in the rate that we can get would help just a little bit. We are not an equity payment school. We are as luck would have it a high valuation deduct school. Our transportation is important to us. We have to find a way to get our students to school. While traveling in the country would seem to be less expensive, you have to understand that we serve a dual purpose. We push snow for the county on those roads because we are out there before they are most morning. For a small school like us to get a little extra help in the transportation area would be very important. I'd like to think I could

afford another staff member or curriculum. Especially in the last few years we're a good example of how the block grants system didn't work very well. Two years ago North (?) Central School District dissolved and our school inherited most of the students in that district but also their land and our transportation costs more than doubled. We were in the middle of the year of a block grant so we were getting our transportation funding based on the old formula which was the old school district. In the middle of that biennium we ended up with all those students and that's a particular situation in which the block grant didn't work very well. I don't have any suggestions on how to solve that. I don't anticipate anybody else dissolving around us any time soon so I don't think it will be an issue again. I would encourage you to support this bill.

**Vice Chairman Meier:** Last year did you have to reach in to your ending fund balance in order to cover transportation costs. What is your ending fund balance?

**Rolston:** No we did not. We managed to not have to do that. Under the current system we're not far away from doing that. Our ending fund balance is about \$271.0.

**Representative Mueller:** How does the ridership issue work?

**Rolston:** You get reimbursed based on miles and your daily ridership. You report ridership on a daily basis. The formula reimburses you on the number of kids you have in that bus per mile. We have buses out there that aren't very full and I'd be more than happy to fill them up. I'd be happy to have 30 kids on every bus. We have buses out there with 20 and 17 kids on them. That's just the nature of what's happening in rural ND.

**Representative Mueller:** Is it 67 cents a mile and then some other number times the number of kids on it. What's the other number?

**Rolston:** I don't recall off hand what it is. The base amount is 67.5 per mile and then we get a cost factor figured on our ridership on a daily basis.

**Dean Bard, on behalf of ND Small Organized Schools, testified in favor of the bill.** As far as this bill is concerned, we have heard in our association from a number of school districts that are unhappy with the block grant situation. They want to go back to a per mileage allotment for transportation again. Our association, which is composed of mostly rural schools, would support this bill and hope you pass it out with a do pass. Representative Mueller you asked a question about the per mile rate per student rate. It used 15 cents. When that first crept in we did not have a per student rate then the rural districts were given a per student rate and then later on city rates were also allowed that rate for students they carried.

**Vice Chairman Meier:** Out of your membership, how many districts had to dip into their ending fund balances last year?

**Bard:** I don't have the slightest idea. We've never a study of ending fund balances so I'm sorry I don't have that information.

**Bev Nielson, ND School Boards Association, testified in favor of the bill.** I don't have any information on ending fund balances but I do however know that usually you can only spend that once so if it happened year after year after year, it doesn't rejuvenate itself. I do remember when they passed the legislation for the block grants and I believe it was the understanding that when we did that that ever so often we would get the old formula back up and re-compute the block grants.

**Chairman Kelsch:** Shouldn't we look at more recent data than 2001? Wouldn't it be more effective to do that? We have reorganized districts out there that have happened since 2001.

**Nielson:** Doug can answer that better. It is my understanding that with this bill that we will use the formula we used in '01, plug in these new numbers and it would be based on the miles they are driving now. I think it accomplishes that.

**Doug Johnson, ND Council of Educational Leaders, testified in favor of the bill.** I think it does exactly what Bev has said. Just to refresh your memory, I learned about bus transportation my first year as a lobbyist in 2005 on HB 1013 so I've done a little research on this. Back in 2001 the amount charges was 67 cents for the rural buses and it was 35 cents for the city buses. They also did have a ridership add on of 20 cents per mile one way and for rural it was 40 cents per day for each student outside of the city limits. In 2003 they repealed the 2001 formula with the block grants and in 2005 that's when the block grant was put at \$33.5 million and they changed the in city rate from 35 cents to 50 cents per mile for large school buses but 40 cents for buses of 9 or less—the smaller buses outside of the city limits. This bill increases the amount for the rural and urban schools from what it had been for the rural schools at the 2001 rate and for urban schools from the 2005 rate.

**Sandy Clarke, representing the ND Farm Bureau, testified in favor of the bill.** We will be very brief we just want to stand in support today of SB 2401.

**Debbie Marshall, representing the TGU School District, testified in favor of the bill.**

**(Testimony Attached.)**

**Vice Chairman Meier:** Does your transportation budget include that dollar per mile you get from the state.

**Marshall:** Yes, it does.

**Jerry Coleman, DPI, came forward to answer technical questions.**

**Representative Mueller:** Talk to us about the ridership part of the transportation funding rural versus urban.

**Coleman:** Transportation is actually a strange rate schedule. There are about seven different rates on it. (He referred the Committee to The Education Funding Fact Book.) The main point is they are paid on rides. Its 40 cents per pupil transported per day on the large

buses. The smaller buses are only given the mileage rates and we use 40 cents for the last biennium. In city the ridership is reimbursed at 20 cents per ride so it equates to the rural for both ways. Then we have family transportation where they allowed claiming mileage to and from school based on 40 cents per mile one way less the first two miles. It is a convoluted schedule but basically we have rates for in city and we have rates for rural on rides and mileage of 67 cents which is where it is now. I'm sure I now have everyone totally confused with this information.

**Chairman Kelsch:** So what data would you use according to this bill you would go back and use . . .

**Coleman:** We would go back to the rate schedule that was in place and then there would be three changes in the rate.

**Representative Mueller:** Would it be possible to give us an information sheet outlining what you just talked about?

**Coleman:** I can do that.

**Representative Haas:** Essentially what would happen is that the school districts would simply have to keep track of all of their miles and ridership for a year in order to re-base it and use the block grant on the new rates. Is that that correct?

**Coleman:** We will just take the information from the annual report we require on mileage. Because of the block grant we have never discontinued that college because we need to have that data for policy making decisions.

**Representative Haas:** So you would take that information and simply apply the new rates. Is that correct?

**Coleman:** Yes, we would plug in the new rate schedule and re-calculate the grants for the first year and they would remain the same the second year. That's what we have done for the past two biennia.

**There being no further testimony, Chairman Kelsch closed the hearing of SB 2401.**

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2401**

### House Education Committee

Check here for Conference Committee

Hearing Date: **13 March 07**

Recorder Job Number: **5004**

Committee Clerk Signature

*Jan Prindle*

Minutes:

**Chairman Kelsch opened discussion of SB 2401.** This has an increase of \$4.5 million.

This is not anywhere. The Senate passed this and did not put it in anyone's budget; the additional money is not showing up anywhere. The money is not there and is not accounted for anywhere. It was rereferred to Appropriations and they gave it a Do Not Pass, but it passed on the Senate floor by 25 to 21. I did talk to Jerry (Coleman) and asked him about some numbers. The appropriation in the DPI budget bill is \$33.5 million so he figured there would be roughly \$645,246 left in that that line item that would not be distributed based on the formula for transportation. I asked him about upping the rate for both the in-city and the large busses. The large bus miles are the greatest. What Senator Taylor was doing is moving up the large bus miles from 67 cents to 80 cents.

**Representative Haas:** What were the other two rates?

**Chairman Kelsch:** The in-city miles went from 50 to 60 cents. The way we can make sure that all of the money gets out to the school districts . . . it looks like we raise it about 4 cents and stay within the appropriation. You could put it all on the large bus miles or do it half and half or you could do it 70 cents on the large bus miles and 51 cents on the in-city miles.

**Representative Haas:** That would come to over \$800.0

**Chairman Kelsch:** We could up 2 cents on the large bus and 1 cent on the in-city.

**Representative Haas:** That would be \$470.0

**Chairman Kelsch:** I want to spend \$645.0

(Discussion and calculation.)

**Jerry Coleman:** The rule of thumb I was using in my mind is we have 20,000,000 miles out there so at 1 cent that would be \$200.0 per year.

**Representative Haas:** The 20,000 includes the in-city buses? So it's 19.3 million rural and 700.0 in-city?

**Coleman:** 1 cent would be \$200.0 per year.

**Chairman Kelsch:** Otherwise, what do you do with this transportation money?

**Coleman:** Usually it's distributed.

**Chairman Kelsch:** So if we raised it 1.5 cents the first year, could we do the same the second year?

**Coleman:** No.

**Chairman Kelsch:** Or should we jackpot the transportation money?

**Representative Hunskor:** With the increased cost of transportation, can we add more? Where would be the potential source of money if we do?

**Chairman Kelsch:** My concern is that Appropriations will say it comes out of the \$82.0. We left transportation off of the discussion for 2200 for that exact reason. If we take the bill back to no increases and just distribute the money as laid out here, it would probably go to conference committee. If we amend it and change the amount and it's actually within the \$33.5, it will probably still go to conference committee. If we defeat it, we just give out the same amount of money we give out as grants. We don't have any good data in determining how much money the school districts should be getting.

**Representative Haas:** You could still have that provision so that we would get new data to leave the reimbursement rate exactly where they are now.

**Chairman Kelsch:** If we wanted to make sure we got the money to school districts and to go to those traveling more miles, at least we can give them a little bit.

**Representative Haas:** It would be better to do that. It would be better to give it out in mileage reimbursement because then it's going to go to schools where they have the greatest need as far as transportation. We could increase it 1.5 cents on each one of those.

**Representative Haas:** I move to amend it to say on Line 8, 51.5 cents per mile and on Line 10, 68.5 cents and add that the remainder be distributed based on prorated basis.

**Vice Chairman Meier:** I second.

**Representative Hanson:** What about parents who transport their kids?

**Coleman:** There would be no change. They will be reimbursed at 40 cents per mile one way minus the first two miles. Effectively it's 20 cents per mile.

**Representative Hunsakor:** My feelings on this are that is peanuts for what they need for the increased costs. I would want to resist it; but I understand this will go to conference committee and who knows what's going to happen there. With that in mind I will vote in favor.

**Representative Solberg:** We're using money that's left over in the transportation fund and not asking for additional funds from Appropriations, is that correct?

**Chairman Kelsch:** We are just spending the appropriated amount.

**Representative Solberg:** No one can predict what Appropriations would say if we asked for more money but we have districts in District 2 that have to go to their reserves because their transportation budget is in deficit. What I'm saying is that anything we can do to help this situation would surely be appreciated by these school districts.

**A voice vote was taken: The amendment was accepted.**

Page 4

House Education Committee

Bill/Resolution No. 2401

Hearing Date: 13 Mar 07

**Vice Chairman Meier: I move Do Pass as Amended and Rerefer to Appropriations.**

**A roll call vote was taken: Yes: 12, No: 0, Absent: 1 (Mueller)**

**Representative Sukut will carry the bill.**

Date: 13 Mar 07  
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2401

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Amend as below

Motion Made By Haas Seconded By Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep Hanson		
V Chairman Meier			Rep Hunskor		
Rep Haas			Rep Mueller		
Rep Herbel			Rep Myxter		
Rep Johnson			Rep Solberg		
Rep Karls					
Rep Sukut					
Rep Wall					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Page 1*  
 Line 8 (1) 51.5 cents per ~~60~~  
 Line 10 (2) 68.5 cents mile ~~80~~  
 Remainder be distributed on pro rata

Date: 13 Mar

Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2401

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Pass as Amended + re refer to Appropriations

Motion Made By Meier Seconded By Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier	✓		Rep Hunskor	✓	
Rep Haas	✓		Rep Mueller		
Rep Herbel	✓		Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg	✓	
Rep Karls	✓				
Rep Sukut	✓				
Rep Wall	✓				

Total Yes 12 No 0

Absent 1

Floor Assignment Sukat

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

**REPORT OF STANDING COMMITTEE**

SB 2401, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2401 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "Sixty" with "Fifty-one and one-half"

Page 1, line 10, replace "Eighty" with "Sixty-eight and one-half"

Page 1, after line 20, insert:

- "3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled."

Page 1, line 21, replace "3." with "4."

Renumber accordingly

2007 HOUSE APPROPRIATIONS

SB 2401

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2401

House Appropriations Committee  
Education and Environment Division

Check here for Conference Committee

Hearing Date: March 19, 2007

Recorder Job Number: 5248

Committee Clerk Signature

*Shirley Branning*

Minutes:

**Chairman Wald:** Called the meeting to order to hear Engrossed SB 2401, a bill to provide transportation grants to schools by introducing **Senator Ryan Taylor**, District 7.

**Senator Taylor:** Provided testimony in support of Engrossed SB 2401 (See handouts #1 and 2 of SB 2401).

**Representative Hawken:** Did you give consideration to looking "a bus is a bus" ? Being an urban legislator, it is not cheaper to run a bus in town than in the country.

**Senator Taylor:** We are agreeable to that, \$.80 rural and \$.60 urban so there is still a gap, but if you look at the number of miles that was on the fiscal note. If you want to pay the same for urban as rural it wouldn't break my heart. Urban buses do get a rider ship count. This is block granted. Large buses hold up better on the rural roads.

**Representative C. B. Haas**, District 36: Explained how the numbers work as was done in the House Education Committee. The \$33.5m is the appropriation and about \$140,000 that does not get spent. That is excess ADM dollars that goes out at the end of the biennium. There are 20m miles per year and we thought we could increase the reimbursement rate to spend more of that money by raising it by \$.03 per mile. It will go out on prorated bases, based on the amount of the block grant.

**Vice Chairman Monson:** Did you talk about "jack potting" transportation or is that too radical an idea?

**Representative Haas:** We have talked about it but that is as far as it gets. Transportation is a local school district issue.

**Representative Aarsvold:** Some kids are geographically handicapped

**Senator David O'Connell, District 6:** Echoes what others have said. The costs have gone up.

**Representative Hawken:** I move a **Do Pass** on Engrossed SB 2401.

**Vice Chairman Monson:** Second

**Representative Aarsvold:** Will support the bill but wants to add that the costs are going far beyond what this bill can support.

**Chairman Wald:** Any further discussion, there are no amendments. If there is no further discussion, Clerk will call the roll.

**Vote: 7 Yes, 0 No, 0 Absent    Motion Carried                    Carrier: Representative  
Gulleson**

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2401**

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 3-21-07

Recorder Job Number: 5395

Committee Clerk Signature

*Wase Shaan*

Minutes:

**Chairman Svedjan:** We'll take up SB 2401 ... Rep Gulleon is carrying that bill.

**Rep Gulleon:** We'll be looking at the bill that provides school district transportation grants.

There's not an amendment on this. As the bill stands now it's basically a distribution formula to distribute the money through SB 2013. Originally as introduced, the bill would have increased the payments for transportation from the 50 cent current for busses within a city to 60 cents and then the House had amended that down to the current 51 cents. On the Senate, originally it was moving from 67 cents, which is the current, to \$1.00 for the rural busses... 10 or more passenger rural busses. That was the original...it got amended on the Senate to 80 cents, the House amended it down to 68½, so that's been the journey on this one. Section 3, in the original bill, they increased it to 60%...it got amended back to the 40 cents. Unfortunately, there's really no increase in the amount, which was the original intent in the bill...there has not been increases in transportation to the public schools for many years and their costs have increased and it is a part of the cost of educating students...we can't educate until we get them to school. The intent of the bill was very good, I think it's important that we address it...unfortunately as the bill stands before you today there's really no increases...what it does do is...the language that was added in House Appropriations, you'll see under Section 1, Subsection 3...that language was added...If any money provided for transportation payments

in the grants of SB 2013 remain after application of the formula...those dollars shall prorate the remaining amounts according to the percentage and send those out to the schools. What we're saying is that we'll use all the transportation money and will be distributed at the end of the biennium.

**Chairman Svedjan:** So you said that House Appropriations made that change...did you mean House Education?

**Rep Gulleon:** Yes

**Chairman Svedjan:** So this is the way the bill came to us?

**Rep Gulleon:** That's right; we did not amend it in our subsection. I'm recommending a **DO PASS** on the bill, but I think there's additional amendments' coming.

**Rep Monson:** I second it.

**Rep Aarsvold:** I have an amendment to add to the bill...do you want to take the amendment 1<sup>st</sup> and then move to further amend?

**Chairman Svedjan:** We have no amendments...we have a motion for Do Pass.

**Rep Gulleon:** I would stand aside from that motion if you want to discuss the bill.

**Chairman Svedjan:** If you have an amendment, let's take that up 1<sup>st</sup>. Rep Gulleon...**you withdrew your motion?**

**Rep Gulleon:** Yes

**Rep Aarsvold:** I move to amend **2401** and I'm working off of the 1<sup>st</sup> engrossment with the House amendments 0300. In Line 8, on the 1<sup>st</sup> page...changing the 51½ cents to 60 cents per mile...the 68½ cents to 80 cents/mile. This would require about \$5.1M of additional revenue that would show up in SB 2013...I would remind the committee that these expenses will not go away...these will be expenses that we will be paying either as a state, through our appropriation or the local taxpayers back home will be paying these funds. I have long held

that bus service is an important part of education. I would suggest that it probably should part of special education because we have a lot of children out there that are geographically handicapped by virtue of their location and are not able to get an adequate education unless those children are transported to a school of appropriate size and nature.

**Chairman Svedjan:** Just for clarification...you're requesting an amendment changing 51½ cents to 60 and 68½ cents to 80 ... did you touch the 40 cents.

**Rep Aarsvold:** We did not.

**Chairman Svedjan:** What's the total impact?

**Rep Aarsvold:** \$5M160T ...those are dollars either distributed through our formula transportation line item or they are dollars that will be expended from local property tax revenues.

**Chairman Svedjan:** Is there a second?

**Rep Gulleson:** I second it.

**Rep Monson:** Being an administrator in a small rural school, I should be in favor of that, but I see a lot of problems with it. I agree, you can't educate the child until you get him there, but we're looking at roughly \$80M...if we're going to increase this line item by \$5M, are we going to add \$5M and make it \$85M...we're trying to balance our budgets now and we're way over line, so I see here that we're probably going to be taking \$5M of the \$80M to fund this and if that's the case, we're going away from equity...we don't have a constitutional obligation to provide K-12 and if we're going to switch this money from going out on a per pupil basis and a formula that is supposedly more equitable...this is going to be going to those schools that do have transportation and there are many that don't so we're kind of hamstringing our schools and saying...You guys that don't offer transportation, well you just have less money now to pay your light bill, or your teachers. I don't think that what we should be doing...if they want to

supply transportation they can, but I don't think it's our business to keep increasing the amount of money for them. I would hope we would resist it and that's hard for someone from a rural school to say, but I know where the thought's coming from and if we had more money then we do I'd say "fine".

**Rep Aarsvold:** I'd remind the committee that the latest public school summary of facts indicates that the average costs of transporting a student per mile is \$1.64, so we are reimbursing only about 40% at the level that's been suggested in this bill.

**Rep Nelson:** Rep Gulleson, I'm surprised if there is money left in that fund in the end of a biennium...is there and how much is projected...or did that come up in your committee?

**Rep Gulleson:** I don't believe we asked about it, and maybe Sen Taylor mentioned that amount, but I don't recall it. I think it would only be based upon like any other projecting...if in the end some of those of those dollars didn't end up getting used, obviously it's not going to be a lot and we know that.

**Rep Nelson:** In my previous history on the education committee, the student...the state aid distribution...that's missed often times on per student basis, but transportation is paid on a per mile and a student use. In most cases every student rides the bus every day, whether they do or not...I know some administrators seem to maybe work on that basis...I'd be surprised if there's much money left in that account and if that's true, with the original bill, there's not much reason for the bill.

**Rep Monson:** In the last few biennium's, we been putting this money out in block grants...whatever you got 4 or 6 years ago, that's what you've been getting. In 2200 there is going to be a window where they're going to adjust this amount of money so the school's will have to gather data...how many kids are riding, how many miles, etc. We know that that amount is going to be smaller because we have fewer kids and we set up these block grants

and probably fewer busses out there too, if they've gotten more efficient...I know many cases that they haven't. The idea is that there will be a little bit of a drop in the amount of money needed for the transportation compared to what we've been doing on the block grants so with the new data we should be able to see a little increase/mile/rider and I think that's what this was suppose to do was just keep a level amount of money...the same amount of money we've been giving out on the block grants, but it will be based on a little data again so we can get ourselves back in line. I think that's why, with fewer kids, fewer miles, we can increase the per mile rate.

**Rep Klein:** Where's this \$5.1M coming out of...what are we shorting?

**Chairman Svedjan:** The way I understand it is it would come out of the total appropriation that go out in the form of foundation aid.

**Rep Aarsvold:** I believe that would be correct.

**Chairman Svedjan:** Any other discussion...seeing none, this is a verbal amendment...it would increase Line 8 from 51½ cents to 60 and Line 10 61½ cents to 80 cents.

**VOICE VOTE**      **The No's have it** ... Roll Call Vote requested

**Roll Call Vote**      Yes 10      No 13      Absent 1      **Motion Fails**

**Rep Gulleson:** I would move a **DO PASS**

**Rep Wald:** I would second it

**Roll Call Vote** Yes 23      No 0      Absent 1      **Motion Carries**      Carrier Rep Gulleson



*Withdrawn*

Date: 3/21/07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2401

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Pass Proposed SB 2401

Motion Made By Gulleson Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 3/21/07  
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2401

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Adopt amendment below

Motion Made By Aarsvold Seconded By Gulleson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich	✓				
Representative Wald		✓	Representative Aarsvold	✓	
Representative Monson		✓	Representative Gulleson	✓	
Representative Hawken		✓			
Representative Klein	✓				
Representative Martinson		✓			
Representative Carlson		✓	Representative Glassheim	✓	
Representative Carlisle		✓	Representative Kroeber	✓	
Representative Skarphol		✓	Representative Williams	✓	
Representative Thoreson		✓			
Representative Pollert		✓	Representative Ekstrom	✓	
Representative Bellew		✓	Representative Kerzman	✓	
Representative Kreidt		✓	Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland		✓			

Total (Yes) 10 No 13

Absent 1

Floor Assignment \_\_\_\_\_

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

*Lines 8 - 51.5¢ to 60¢  
 68.5¢ to 80¢*

*Voice vote - failed*

Date: 3/21/07  
 Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2401

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Re Pass

Motion Made By Gulleson Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellow	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wleland	✓				

Total (Yes) 23 No 0

Absent 1

Floor Assignment Gulleson

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

**REPORT OF STANDING COMMITTEE**

SB 2401, as engrossed and amended: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO PASS** (23 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2401, as amended, was placed on the Fourteenth order on the calendar.

2007 SENATE EDUCATION

CONFERENCE COMMITTEE

SB 2401

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2401

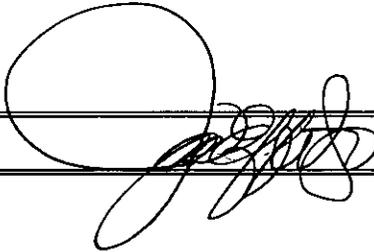
Senate Education Committee

Check here for Conference Committee

Hearing Date: April 13, 2007

Recorder Job Number: 5987

Committee Clerk Signature



Minutes:

Senator Gary Lee opened the conference committee on SB 2401. All members were present.

Senator Gary Lee asked the House to explain what they did on this bill. There has been discussion on another bill previous to this one that takes the sting out of this one a little bit.

Representative Kelsch said the House increased 1 ½ cents and 1 ½ cents, the mileage to spend all of the money of the \$33.5 million for transportation because there was \$600,000 that wasn't spent. This morning in 2200, we put the transportation language into 2200 and added \$2 million so now it is \$35.5 million for transportation. We left the 51.5 cents for the city buses and increased to 73.5 cents for rural buses. We could make this very quick because we don't need the bill any longer.

Senator Freborg said the Senate should accede to the House amendments, and then kill the bill on the floor.

Senator Gary Lee said unless we should keep the bill around in case something happens with the other bill.

Representative Kelsch said she thinks 2200 is safe.

Senator Taylor moved the Senate accede to the House amendments, seconded by

Representative Kelsch.

The motion passed 6-0-0.

Senator Gary Lee adjourned the meeting of the conference committee.



**REPORT OF CONFERENCE COMMITTEE**

**SB 2401, as engrossed:** Your conference committee (Sens. G. Lee, Freborg, Taylor and Reps. R. Kelsch, Sukut, Hunskor) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1229 and place SB 2401 on the Seventh order.

Engrossed SB 2401 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SB 2401

# PUBLIC SCHOOL DISTRICTS

## Summary of Facts

### Type of School Districts (Fall of 2005)

High School Districts	159
Graded Elementary Districts	34
One-Room Rural Districts	5
Districts not operating school	6
<b>Total Number of School Districts</b>	<b>204</b>

### Type of School Plants in Session (Fall of 2005)

Elementary Schools	178
Middle Level/Junior High Schools	23
Senior High Schools	30
Elem/Sec Combination	144
One Teacher Schools	7

### Types of Units and Centers in Session (Fall of 2005)

Special Education Units	31
Vocational Centers	7

### Enrollment by Type of Schools (Fall of 2005)

Kindergarten	6,573
One-Room Rural Schools	38
Elementary Schools	57,957
Secondary Schools	32,552
<b>Total K-12 Public Enrollment</b>	<b>97,120</b>

### Graduates

High Schools	8,008
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### Census - Enumeration

Age	2003	2005
Birth to 5	38,743	39,921
6-17	104,671	101,346
<b>Total</b>	<b>143,414</b>	<b>141,267</b>

### Non-public Schools (Fall of 2005)

Approved Non-Public Schools	56
K-12 Enrollment	5,593
Licensed Staff	599

### Licensed Personnel (Fall 2005)

	Staff (FTE)	Average Salary
All Teachers	7,004	37,540
Other Licensed	2,860	43,887
Administrators	517	65,455

### Cost of Education and Average Cost Per Pupil in ADM

	Cost of Education	Cost Per Pupil
Presch. Sp. Ed.	8,790,627	7,001.86
Kindergarten	33,465,894	4,732.50
Elementary 1-6	313,988,281	7,174.31
Elementary 7-8	111,903,704	6,928.40
Elementary 1-8	425,891,986	7,108.02
Elementary K-8	459,357,880	6,857.26
Secondary 9-12	253,199,569	7,403.92
All Pupils	721,348,076	7,041.52

Cost of education figures include per pupil cost expenditures from the public school district, special education units and vocational education centers. Based on average daily membership.

Average Daily Membership	102,442.11
State averages for tuition purposes:	
Capital Outlay	487.02
Gen Fund Extracurricular Activities	202.39

### Transportation

Number of Pupils Transported*	37,257
Cost of Transportation	34,668,950
Average Transportation Cost Per Pupil	930.54
Average Transportation Cost Per Mile	1.55
Total Annual Mileage*	22,337,864

\*Estimated

<u>Taxable Valuation</u>	2003-04	1,468,087,318
	2004-05	1,532,751,262
	2005-06	1,640,262,995

### Valuation of Buildings and Equipment (Fall of 2005)

1,615,105,663

*Sen Taylor 2401*

School Bus Inventory - 2004-2005 School Year

1A

Type of Vehicle	Count
Transit	68
Non Conforming Vans	235
School Bus	1867
Other Vehicle	291
Total Vehicles	2461

Use of Vehicle	Count
Regular	1400
Activity	531
SpecialEd	177
Standby	353
Total Vehicles	2461

Type of Fuel	Count
Diesel	1590
Propane	3
Gasoline	863
Dual	5
Total Vehicles	2461

Communication	Count
Cellular Phone	296
CB/Two-Way Radio	1951
None	214
Total Vehicles	2461

Ownership	Count
District Owned - School Bus	1959
District Owned - Other	447
Privately Owned - School Bus	33
Privately Owned - Other	22
Total Vehicles	2461

Sp Ed Equiped	Count
Yes	2320
No	141
Total Vehicles	2461

Count of LicenseNumber	MfgYear	Total
	1963	2
	1966	1
	1968	2
	1972	1
	1973	2
	1975	5
	1976	7
	1977	4
	1978	4
	1979	11
	1980	12
	1981	15
	1982	21
	1983	40
	1984	58
	1985	58
	1986	72
	1987	52
	1988	66
	1989	97
	1990	103
	1991	120
	1992	141
	1993	103
	1994	134
	1995	144
	1996	130
	1997	120
	1998	170
	1999	138
	2000	140
	2001	135
	2002	121
	2003	90
	2004	73
	2005	56
(blank)		2
	2006	11
Grand Total		2461

*Foundation Aid Per Pupil and Transportation Payments  
2005 - 2007 Biennium*

FOUNDATION AID PAYMENTS		2005-06	2006-07
Base Payment		\$2,765	\$2,879
	<b>Weighting Factor</b>	<b>Weighted Payment</b>	<b>Weighting Factor</b>
Preschool	1.1871	\$3,282.33	1.1258
Kindergarten	0.6562	\$1,814.39	0.6710
Grades 1-6 (Less than 100)	1.3619	\$3,765.65	1.3854
Grades 1-6 (100 or more)	1.0067	\$2,783.53	1.0064
Grades 7-8	1.0080	\$2,787.12	1.0043
Grades 9-12 (Less than 120)	1.2836	\$3,549.15	1.2864
Grades 9-12 (120-299)	1.0254	\$2,835.23	1.0303
Grades 9-12 (300 or more)	1.0000	\$2,765.00	1.0000

OTHER PAYMENT RATES		2005-06	2006-07
Teacher Compensation (fte)		\$3,000	\$3,000
1st Year Teacher Compensation (fte)		\$1,000	\$1,000
		Interim Rate	
Summer School Programs - High School (wpu)	\$1,800	\$1,110	\$1,800
Summer School Programs - Remedial Elem (wpu)	\$1,800	\$1,580	\$1,800
Special Education (ADM)	\$188		\$190
Tuition Apportionment (6-17 census)	\$349		\$349
Home Education (wpu)	\$1,382.50		\$1,439.50

TRANSPORTATION AID PAYMENTS		2005-06	2006-07
Rural Vehicles (Less than 10)	\$ 0.40 per mile		Block Grant
Rural Vehicles (10 or more)	\$ 0.67 per mile		Block Grant
Rural Pupils Transported (10 or more)	\$ 0.40 per pupil day		Block Grant
In-city Vehicles (Less than 10)	\$ 0.25 per mile		Block Grant
In-city Vehicles (10 or more)	\$ 0.50 per mile		Block Grant
In-city Rides	\$ 0.20 per ride		Block Grant
Family Transportation (one way per day)	\$ 0.40 per mile		Block Grant

School district equalization factors (NDCC 15.1-27-05)		2005-06	2006-07
a. Local Share (mill deduct)		38 mills	41 mills
(Taxable valuation times statutory mill rate)			
b. Excess Fund Balance Deduct		50%	50%
(Ending fund balance in excess of statutory percentage of general fund expenditures + \$20,000)			
c. Minimum Levy Deduct		140 mills	140 mills
(Number of general fund mills below the statutory minimum times the taxable valuation of the district).			

Note: Transportation payments in the first year will be based on the formula in law at 6/30/2001. In the second year transportation will be block granted based on the first year payments.  
Summer program payments will be capped at 1.5% of the per student and transportation appropriation.

*See Taylor 2401*

**Testimony on SB 2401**  
**Sen. Ryan Taylor**

*Same  
given to  
House  
Education*

Madam Chair, for the record, my name is Ryan Taylor, senator for District 7 covering better than 4,000 square miles of north central North Dakota. Today, it's my pleasure to bring before you SB 2401, a bill to increase the bus transportation payments to school districts in North Dakota.

I've studied school transportation pretty intensely—for more than 5,000 hours between the ages of 5 and 17. First one on, last one off of Bus No. 1. Fought kids older than me and twice as big to sit in the back seat. Played enough three-handed whist to enter the professional world whist tour. I graduated in 1988 and a lot has changed since then, not the least of which is my hairline and the cost of fuel, depreciation and maintenance for those big yellow school buses that pulled into our yard on those dark mornings.

The bill before you is an amended version from my initial, higher goals for bus mileage and grants. It raises both urban rates and rural rates for the buses greater than 10 passengers. An urban increase from 50 cents to 60 cents, and a rural increase from 67 ½ cents to 80 cents. The urban rate was changed in the last session or two, but the rural rate has not been increased since at least 1995 from my research, maybe longer. I reference the last School Finance Facts, a page of which I've distributed, showing an actual transportation cost to school districts of \$1.64 per mile. Just for the sake of comparison, the mileage we get paid to go home on the weekends to see family and constituents has increased twice—25 cents in 1995, raised to 31 cents in 2001 and raised to 37 ½ cents in 2005. An important reimbursement for our duties, but no more important than getting our children to the school house door for their education.

The bill also reinstates the popular block grant program in year two of the biennium after basing the payments according to these rates in year one of the biennium. The fiscal note was decreased from \$13 million, as introduced, to \$5.3 million as it's before you today. The line item in SB 2013 is \$33.5 million, and would need to be increased to \$37.85 million with passage of SB 2401.

We were unanimously in support of this engrossed bill in the senate education committee and I was proud that the senate passed it over to the house to be considered as a justifiable priority in light of dramatically increasing fuel costs and everything associated with energy inflation. We're doing a lot of good work on equity in this session, but, as you know, there are plenty of schools who won't get an equity payment. Transportation is not part of the equity bill or debate. In my view, equity and adequacy starts at the school house door. Let's do what we can, as a legislature, to get them there and make the commitment to put the dollars there to cover just a portion of the inflation in that area.

I'm sure we'll have testimony today directly from the field and the school administrators can give you the reality of bus costs. I'll step aside and let them do just that. I'd ask that you give SB 2401 a "do pass" and fuel up this yellow bus for the trip to appropriations. I'd be happy to answer any questions you might have.

# PUBLIC SCHOOL DISTRICTS

## Summary of Facts

### Type of School Districts (Fall of 2006)

High School Districts	156
Graded Elementary Districts	34
One-Room Rural Districts	5
Districts not operating schools	3
<b>Total Number of School Districts</b>	<b>198</b>

### Type of School Plants in Session (Fall of 2006)

Elementary Schools	181
Middle Level/Junior High Schools	23
Senior High Schools	30
Elem/Sec Combination	141
One Teacher Schools	6

### Types of Units and Centers in Session (Fall of 2006)

Special Education Units	31
Career and Technology Centers	6

### Enrollment by Type of Schools (Fall of 2006)

Kindergarten	6,645
One-Room Rural Schools	26
Elementary Schools	56,728
Secondary Schools	32,201
<b>Total K-12 Public Enrollment</b>	<b>95,600</b>

### Graduates

High Schools	7,740
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### Census - Enumeration

Age	2003	2005
Birth to 5	38,743	39,921
6-17	104,671	101,346
<b>Total</b>	<b>143,414</b>	<b>141,267</b>

### Non-public Schools (Fall of 2006)

Approved Non-Public Schools	50
K-12 Enrollment	5,994
Licensed Staff	581

### Licensed Personnel (Fall 2006)

	Staff (FTE)	Average Salary
All Teachers	7,654	38,588
Other Licensed	926	45,095
Administrators	515	67,719

### Cost of Education and Average Cost Per Pupil in ADM

	Cost of Education	Cost Per Pupil
Presch. Sp. Ed.	10,040,750	7,165.82
Kindergarten	35,308,389	5,215.63
Elementary 1-6	324,263,104	7,610.25
Elementary 7-8	114,152,928	7,224.06
Elementary 1-8	438,416,032	7,505.78
Elementary K-8	473,724,421	7,267.92
Secondary 9-12	261,366,263	7,780.01
All Pupils	745,131,434	7,438.22

Cost of education figures include per pupil cost expenditures from the public school district, special education units and vocational education centers. Based on average daily membership.

Average Daily Membership 100,175.99

State averages for tuition purposes:

Capital Outlay	582.06
Gen Fund Extracurricular Activities	212.81

### Transportation

Number of Pupils Transported*	38,096
Cost of Transportation	36,228,595
Average Transportation Cost Per Pupil	950.99
Average Transportation Cost Per Mile	1.64
Total Annual Mileage*	22,039,176

\*Estimated

### Taxable Valuation

2004-05	1,532,751,262
2005-06	1,640,262,995
2006-07	1,775,656,783

### Valuation of Buildings and Equipment (Fall of 2006)

1,728,673,875

**Testimony on SB 2401**  
**House Education Committee**  
**Tuesday, March 6, 2007**  
**Presented by Debby Marshall**  
**TGU Superintendent**

Chairwomen Kelsh and members of the House Education Committee, for the record my name is Debby Marshall and I represent the TGU School District. I am present this morning to provide testimony in support of SB 2401.

TGU is a reorganized rural school district covering 1,044 square miles with approximately 70% of the students being transported to and from school. Transportation costs are 10% of the district's 2006-2007 general fund budget.

The transportation increases are due primarily to the rising costs of fleet maintenance, fuel, salaries, insurance, and new bus purchases. The greatest impact the district has experienced over the past three budget periods is in the area of diesel fuel expenditures. The table below indicates that diesel fuel expenditures, in our district, have doubled since 2004-2005 despite the elimination of 2 regular routes.

	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>
<b>TGU Bus Routes</b>	13 regular routes 1 family 1 special education	12 regular routes 1 family 1 special education	11 regular routes 1 family 1 special education
<b>Total Miles</b> * regular routes, only	247,390 regular route miles	235,626 regular route miles	230,500 regular route miles
<b>TGU Transportation Budget</b>	\$306,074 total \$ 54,335 diesel fuel	\$358,878 total \$ 69,992 diesel fuel	\$371,990 total \$110,000 diesel fuel
<b>TGU Transportation State Payment</b>	\$211,308	\$187,215	\$187,215

The increased funding proposed in SB 2401 will assist in ensuring safe passage to and from school for North Dakota students. I ask for a DO PASS vote on SB 2401.

Thank you for your time and consideration of SB 2401.

SB 2401



**Transportation Route Summary**  
 NORTH DAKOTA DEPARTMENT OF PUBLIC INSTRUCTION  
 OFFICE OF SCHOOL FINANCE AND ORGANIZATION

District Name #N/A School Year 2006

Route Type	Small Bus (less than 10) Miles	Small Bus (less than 10) Rides	Large Bus (10 or more) Miles	Large Bus (10 or more) Rides	Route Count
Extended Year	29,998.0	2,945	41,086.0	13,908	46
Family - To Bus	186,252.7	26,055	-	-	68
Family - To School	1,206,002.6	104,778	-	-	265
In-City	1,038.0	346	706,272.5	2,551,366	222
Other Purpose	24,040.0	3,203	217,672.8	181,387	37
Public Transit	-	-	-	88,246	1
Rural	75,559.1	10,969	17,653,521.6	9,497,624	1,040
Spec. Ed.	537,676.3	51,334	1,162,548.2	457,323	192
Voc. Ed.	26,192.6	15,017	237,055.8	194,574	38
<b>Total</b>	<b>2,086,759.3</b>	<b>214,647</b>	<b>20,018,156.9</b>	<b>12,984,428</b>	<b>1,909</b>

Block Grant	Rate	Miles	Rides	Total
Small Bus Miles	0.40	693,466.0		277,386.40
Large Bus Miles	.67	19,311,884.4		15,449,507.52
Rural Rides	0.20		10,344,816	2,068,963.20 *
Small In-City Miles	0.25	1,038.0		259.50
Large In-City Miles	.50	706,272.5		423,763.50
In-City Rides	0.20		2,639,612	527,922.40
Family - To School	0.20	1,049,286.6		209,857.32 **
Family - To Bus	0.20	186,252.7		37,250.54 ***
Not Reimbursable	0.20	156,716.0	214,647	****
<b>Total Transportation Reimbursement</b>		<b>22,104,916.2</b>	<b>13,199,075</b>	<b>18,994,910.38</b>
Reimbursement Cap --- 90% of transportation expenditures				#N/A
<b>Block Grant Total</b>				

\* The rate for rural students transported per day of \$.40 is converted to \$.20 per ride.  
 \*\* The rate for Family - To School miles of \$.40 per mile one way (less the first two miles) is converted to \$.20 per mile per trip (less the first four miles).  
 \*\*\* The rate for Family - To Bus miles of \$.40 per mile one way is converted to \$.20 per mile.  
 \*\*\*\* Not included in the reimbursement formula. Small bus rides and family rides, excluded family miles.