

**2013 HOUSE EDUCATION**

**HB 1301**

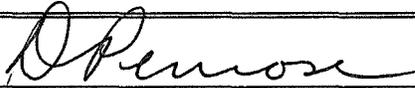
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HB 1301  
January 29, 2013  
17928

Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe:** We will open the hearing on HB 1301.

**Rep. D. Johnson:** Sponsor, support, explained the bill. The bill deals with the residential reimbursements for students. We introduced this for the Anne Carlson Center in Jamestown, New Outlook and Harmony House in Devils Lake and when it was passed out of here, as it made its way through the process there was a sunset clause put on it to make sure that the costs didn't escalate. The Dept. thought it might escalate and we tried to reassure them it wouldn't. It has gone through this two year process and monies are where we thought it would be. We're here to remove the Sunset Clause.

**Rep. B. Koppelman:** In this bill, do we know what was allocated for the costs. How much was used during the biennium.

**Rep. D. Johnson:** I believe those questions can be answered by the other people to testify on this matter. The reason for the pilot project was the fear that other school districts may try and access some of these funds, for programs that they might think they were qualified for. I think it has been proven to be pretty straight-forward.

**Rep. Schatz:** Thank you. Further testimony in support.

**Connie Hovendick, Special Education Director, Lake Region Special Education Unit:** Support (see attached #1). Between both houses in Devils Lake, it was about \$128,000 for the boarding care, about 15 kids. Last year, I believe, DPI put a million dollars into the budget and we used less than \$500,000 over two years. So it really didn't open the floodgates much. There was about \$145,000 between Anne Carlson and 2 students from Boys Ranch that was added in two years. It was a small number that was added to it. I think the impact on the budget is minor.

**Rep. Hunsakor:** How many students are processed through the two houses in Devils Lake in a calendar year.

**Connie Hovendick:** We have ten at New Outlooks and seven at Harmony House. That's what we are licensed for. All the kids were eligible for boarding care except

for Devils Lake, so that was a smaller number. I think we had four at New Outlooks and only two at Harmony House. It's a small number of our local students.

**Rep. Schatz:** Thank you. Further testimony in support.

**Rhoda Young, James River Special Education Director:** Support (see attached #2 and 3).

**Rep. Rohr:** Could you explain on your handout, there is such a drop between the 2011-12 and the 2012-13 in terms of the difference. You went from \$90,000 to \$62,000.

**Rhoda Young:** That is precisely because of one student leaving the district, so that's the difference that one student will make. But as you can see over the three year period, it doesn't vary to a great extent in terms of numbers. The largest amount was about \$112,000 since 2008.

**Rep. Schatz:** Thank you. Further testimony in support. Testimony in opposition. Testimony in neutral.

**Jerry Coleman, DPI:** Neutral. The legislature sets aside funding for student contracts. This funding is accessed for reimbursing school districts for high cost low incident students. Last session it was opened up to allow parental placements to be eligible regardless of where the student lived previously, if the student lived within that resident district, that was only eligible for four times. The district was responsible for 100% of the boarding care. The fiscal note that we prepared for the last session was \$1 million dollars, we only have 1 year of history on this but the fiscal note identifies that for a biennium would cost us about \$550,000. It will come out of that special education contract line and although that's a pretty tight line, we're hoping that we have enough money in it to cover. If we don't, there is a provision in state law to cover that cost through access to the Bank of North Dakota funds and then we would come back with a deficiency request the following biennium.

**Ch. Nathe:** So the \$550,000 special education contract line is already allocated for this.

**Jerry Coleman:** That would be true. We would charge that line for these costs, which we have been this current biennium. We're not changing the way we do business. During this current biennium we charged that line and we believe that amount will cover this. We've asked for another \$500,000 to cover increased costs for the next biennium.

**Rep. Schatz:** Thank you. We will close the hearing on HB 1301.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HB 1301  
January 30, 2013  
18006

Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe:** Let's take a look at HB 1301. What are the committee's wishes.

**Rep. Wall:** I move a Do Pass.

**Rep. Meier:** Second the motion.

**13 YES 0 NO 0 ABSENT**

**DO PASS**

**CARRIER: Rep. Heller**

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1301

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$550,000			
<b>Appropriations</b>						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

This bill removes the sunset provision on the amendments to 15.1-29-14 and 15.1-32-19 made last session relating to excess cost and boarding care reimbursements.

- 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.*

Section 1 allows a school district to be reimbursed from state funds the excess education and related costs for students voluntarily placed in licensed child care facilities located within their resident school district. Previously a school district was reimbursed for all costs exceeding 4.0 times the state average cost (est. \$42,000) for these placements. The change allows reimbursement for all costs exceeding the state average cost (est. \$10,500). Section 2 allows a school district to be reimbursed from state funds 80% of the cost of boarding care for students placed in programs located within the student's resident school district. Previously the school district was responsible for 100% of the boarding care costs of these placements. 2011-12 data identified nine student contracts resulting in \$144,865 excess cost reimbursement that would not have been previously eligible. Boarding care reimbursements totaled \$128,174. The total costs identified total \$273,039. The impact for the biennium will be approximately \$550,000.

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, 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.*

The Department of Public Instruction's appropriation bill HB 1013 contains \$16,500,000 for special education contracts. The costs identified above are expected to be absorbed by that line item.

**Name:** Jerry Coleman

**Agency:** Public Instruction

**Telephone:** 328-4051

**Date Prepared:** 01/19/2013

Date: 4/30/2013

Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 1301

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Amended  Rerefer to Appropriations

Do Not Pass  Adopt Amendment

Motion Made By Rep. Wall Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunskor	✓	
Rep. Mike Schatz	✓		Rep. Jerry Kelsh	✓	
Rep. Joe Heilman	✓		Rep. Corey Mock	✓	
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman	✓				
Rep. Lisa Meier	✓				
Rep. Karen Rohr	✓				
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL (YES) 13 (NO) 0 (ABSENT) 0

FLOOR ASSIGNMENT Rep. Heller

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

**REPORT OF STANDING COMMITTEE**

**HB 1301: Education Committee (Rep. Nathe, Chairman)** recommends **DO PASS**  
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1301 was placed on the  
Eleventh order on the calendar.

**2013 HOUSE APPROPRIATIONS**

**HB 1301**

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1301  
2/7/13  
Job 18516

Conference Committee

Committee Clerk Signature

*Meredith Tracholt*

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 15.1-29-14 and 15.1-32-19 of the North Dakota Century Code, relating to the reimbursement of school districts for boarding care costs; to provide an effective date; and to declare an emergency.

### Minutes:

You may make reference to "attached testimony."

**Rep. Brenda Heller, District 33:** Introduced the bill.

**Chairman Delzer:** The district only pays the average cost, the rest is paid out of the special ed fund at DPI, correct?

**Rep. Heller:** On the Fiscal Note it says where the money comes out of.

**Chairman Delzer:** On the FN, it says \$16.5M for special ed, their costs are expected to be absorbed by this item. Rep. Skarphol, has Education & Environment division looked at that line item or had any discussions about how much of that was being used?

**Rep. Skarphol:** Not yet.

**Chairman Delzer:** Removing this totally removes that, so this would be in place in the future, unless a future legislature changes this issue?

**Rep. Heller:** Yes, that is how I understand it.

**Chairman Delzer:** Will the group homes get more money than they were before?

**Rep. Heller:** I don't recall discussing that. Testimony indicated that prior to the passage of last year's bill HB 1074, it cost the school district four times the average cost, but she did not discuss if they made a deal.

**Chairman Delzer:** Thank you. Questions by the committee? We'll put this in E&E. The committee continued on to the next bill.

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1301  
2/12/13  
Job 18850

Conference Committee

Committee Clerk Signature

*Mereditl Trout*

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 15.1-29-14 and 15.1-32-19 of the North Dakota Century Code, relating to the reimbursement of school districts for boarding care costs; to provide an effective date; and to declare an emergency.

### Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** This bill would allow them to get paid for the cost of housing for special ed students inside or outside of their district. It takes the sunset off of it, makes it a permanent situation. It had a 13-0 Do Pass out of Education. The Fiscal Note says the money is expected to come out of the DPI appropriation.

**Rep. Monson:** The FN still says \$550,000. What if the \$16.5M plus this is not enough?

**Chairman Delzer:** This was done last time, and they supported it. It doesn't sound like they are opposing the bill.

**Rep. Skarphol:** There was a \$500,000 increase in the DPI special ed line item.

**Rep. Monson:** This takes out the four times the regular cost of education. With an increasing population, we may see more contracts.

**Chairman Delzer:** I don't think they listed it that way this time. This certainly should be looked at every biennium.

**Rep. Sanford:** I think this deals with Jamestown and Devils Lake, which have institutions where there could be voluntary placement. If local residents had sent their children to another school district, they would be eligible for these extra costs, but because it's in their local school district, historically they were not eligible for those extra costs and they had to bear the high cost themselves.

**Chairman Delzer:** It puts them on the same playing field as somebody from outside of the district that puts a child in the institution.

**Rep. Dosch:** In the new funding formula, isn't there a factor for this?

**Chairman Delzer:** I'm sure there would be some sort of weighted factor average, but you run into the same issue. I don't know that the new formula would do away with the issue on the special ed side.

**Rep. Monson:** The factor in HB 1319 has been there a long time, it's in code. That goes to every school district because they all have special ed kids. This is a whole separate line item in the DPI budget for contracts, so it's completely separate from the factor issue.

**Rep. Skarphol** moved Do Pass, seconded by **Rep. Monson**.

**Chairman Delzer:** Further discussion? Seeing none, a roll call vote was done. The motion carried 21 Yes, 0 No, 1 Absent. **Rep. Sanford** will carry the bill.

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1301

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$550,000			
<b>Appropriations</b>						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

This bill removes the sunset provision on the amendments to 15.1-29-14 and 15.1-32-19 made last session relating to excess cost and boarding care reimbursements.

- 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.*

Section 1 allows a school district to be reimbursed from state funds the excess education and related costs for students voluntarily placed in licensed child care facilities located within their resident school district. Previously a school district was reimbursed for all costs exceeding 4.0 times the state average cost (est. \$42,000) for these placements. The change allows reimbursement for all costs exceeding the state average cost (est. \$10,500). Section 2 allows a school district to be reimbursed from state funds 80% of the cost of boarding care for students placed in programs located within the student's resident school district. Previously the school district was responsible for 100% of the boarding care costs of these placements. 2011-12 data identified nine student contracts resulting in \$144,865 excess cost reimbursement that would not have been previously eligible. Boarding care reimbursements totaled \$128,174. The total costs identified total \$273,039. The impact for the biennium will be approximately \$550,000.

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, 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.*

The Department of Public Instruction's appropriation bill HB 1013 contains \$16,500,000 for special education contracts. The costs identified above are expected to be absorbed by that line item.

**Name:** Jerry Coleman

**Agency:** Public Instructin

**Telephone:** 328-4051

**Date Prepared:** 01/19/2013

Date: 2/12/13  
Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1301**

House Appropriations Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams		
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 21 No 0

Absent 1

Floor Assignment Rep. Sanford

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

**REPORT OF STANDING COMMITTEE**

**HB 1301: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1301 was placed on the Eleventh order on the calendar.

**2013 SENATE EDUCATION**

**HB 1301**

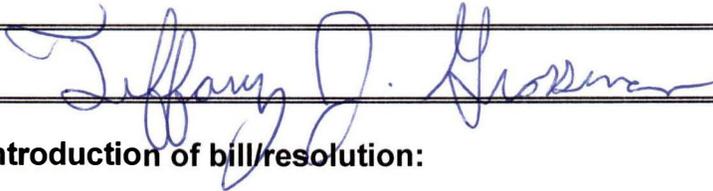
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

HB 1301  
3-06-13  
19477

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 15.1-29-14 and 15.1-32-19 of the North Dakota Century Code, relating to the reimbursement of school districts for boarding care costs; to provide an effective date; and to declare an emergency.

## Minutes:

You may make reference to "attached testimony."

**Chairman Flakoll:** Opened the hearing on HB 1301

**Representative Dennis Johnson, District 15:** This reimburses the residential treatment centers. The issue was the reimbursement wasn't there for these three facilities. This bill is back, just removing the sunset. I worked closely with Rhonda and Connie and they couldn't make it but they would appreciate your support of their programs.

(Testimony from **Connie Hovendick, Special Education Director from Lake Region Special Education Unit**, was passed out. Testimony #1 attached)

(Testimony from **Rhonda Young, James River Special Education Director**, was passed out. Testimony #2 attached)

**Chairman Flakoll:** Do you know why on the fiscal note there is an impact for the upcoming biennium but none thereafter?

**Representative Dennis Johnson, District 15:** I believe they reduced the amount this time so they are comfortable with less.

**Chairman Flakoll:** Closed hearing on HB 1301

**Vice Chairman Schaible:** Move a DO pass for HB 1301

**Senator Poolman:** Second

**Senator Luick:** The change made is just taking out the sunset clause?

Senate Education Committee

HB 1301

3-06-13

Page 2

**Vice Chairman Schaible:** The language struck over was left in there in case this wasn't brought back. With making this permanent, that language is no longer needed.

**Chairman Flakoll:** I am on the board of the Anne Carlson Center. The emergency clause carried in the House. They broke 90 votes.

**A roll call vote was taken for a Do Pass and Rereferred to Appropriations on HB 1301: 6 yeas, 0 neas, 0 absent**

**Vice Chairman Schaible:** will carry

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1301

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$550,000			
<b>Appropriations</b>						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

This bill removes the sunset provision on the amendments to 15.1-29-14 and 15.1-32-19 made last session relating to excess cost and boarding care reimbursements.

- 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.*

Section 1 allows a school district to be reimbursed from state funds the excess education and related costs for students voluntarily placed in licensed child care facilities located within their resident school district. Previously a school district was reimbursed for all costs exceeding 4.0 times the state average cost (est. \$42,000) for these placements. The change allows reimbursement for all costs exceeding the state average cost (est. \$10,500). Section 2 allows a school district to be reimbursed from state funds 80% of the cost of boarding care for students placed in programs located within the student's resident school district. Previously the school district was responsible for 100% of the boarding care costs of these placements. 2011-12 data identified nine student contracts resulting in \$144,865 excess cost reimbursement that would not have been previously eligible. Boarding care reimbursements totaled \$128,174. The total costs identified total \$273,039. The impact for the biennium will be approximately \$550,000.

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, 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.*

The Department of Public Instruction's appropriation bill HB 1013 contains \$16,500,000 for special education contracts. The costs identified above are expected to be absorbed by that line item.

**Name:** Jerry Coleman

**Agency:** Public Instructin

**Telephone:** 328-4051

**Date Prepared:** 01/19/2013



**REPORT OF STANDING COMMITTEE**

**HB 1301: Education Committee (Sen. Flakoll, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1301 was rereferred to the Appropriations Committee.**

**2013 SENATE APPROPRIATIONS**

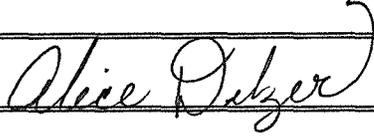
**HB 1301**

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1301  
03-19-2013  
Job # 20116

Conference Committee

Committee Clerk Signature	
---------------------------	------------------------------------------------------------------------------------

### Explanation or reason for introduction of bill/resolution:

A Bill relating to the reimbursement of school districts for boarding care costs; to provide an effective date; and to declare an emergency. (DO PASS)

### Minutes:

No testimony submitted
------------------------

**Chairman Holmberg** called the committee to order on Tuesday, March 19, 2013 at 9:45 am in regards to HB 1301. All committee members were present. Brittani Reim from Legislative Council and Laney Herauf from OMB were also present.

**Representative Dennis Johnson, District 13.** This bill is a follow-up from last session. We had a sunset put on it so we have it back in this session. The sunset last session was to see how the numbers that come about as it moves forward and it deals with the reimbursement of residential treatment centers, Anne Carlson Center in Stutsman County and the Harmony House in Ramsey County in Devils Lake and what happened is a student that's placed in one of these facilities are reimbursed unless the family lives in that district and they are not reimbursed so that is the issue we are trying to correct. Usually for the student in that facility and the family moves there to be close to their student, so we have this bill before us to take the sunset off. Mr. Coleman's here to talk about this too but the fear it might be \$1M or \$1M, we didn't know how it was going to end up. We do have the hard numbers, this coming session we are talking about 9 students. The numbers are under \$500,000. (2.51)

**Jerry Coleman, Director of School Finance for DPI** stated he is here to answer questions regarding the fiscal note.

**Senator Mathern:** Why the emergency clause? Making this ongoing law, what would be the rational for the emergency clause? It doesn't change the fiscal note.

**Mr. Coleman:** I don't know. I had that question myself. Not sure why the doctor felt it was needed, might have to do with the effective date of July 31, 2013 and August 1<sup>st</sup>. I don't believe it is necessary.

**Chairman Holmberg:** The act becomes effective July 1<sup>st</sup>, which is not an appropriation, it is a fiscal note sheet.

**Sheila Peterson:** Substandard fills like this, which is just really changing a date, would not be effective until August 1, so I assume they just wanted to make sure the gap was closed in case there, so boarding costs during the month of July, 2013.

**Mr. Coleman:** Section 1 of this bill it deals with students that are voluntarily placed in licensed childcare facilities located within their residence school district and that is the change there, the Section that this is amending, deals with what we call agency placements, so students are usually placed by the courts, and the way the thing existed in the past is if it was a voluntary placement into one of these facilities it needed to be outside of the district of residence, and what this does is removes district of residence from consideration in become eligible under this Section. Section 2 deals with boarding care costs, this is a situation up in Devils Lake and it's the same type of thing if the students actually live within the residence previously they weren't t eligible for special treatment under this Section and now they would be. So that in those cases the state pays 80% of the boarding care costs for those students. And the experience we had with the 1<sup>st</sup> biennium, which is our current biennium here, is our estimates are that it added about \$550,000 to the cost of this particular program and that is absorbed within the Special Education Contracts Line, which is in the Department's appropriation bill. The funding is there, it is in the executive budget recommendation so we have \$16,500,000 on that line currently.

**Senator Gary Lee:** This is a state-wide thing, this isn't just for Ramsey County or some school district there.

**Mr. Coleman.** Yes, the eligibility is for all situations. It just happens to be that there's only a couple of places where this becomes an issue. For the boarding care side it's Devils Lake and the Dakota Boys Ranch has a little bit of it, and the others are pretty much state-wide. We had a couple out of Fargo, but it mainly addresses the Anne Carson Center in Jamestown. (10.22)

**Senator Robinson Moved a do pass on HB 1301. 2<sup>nd</sup> by Senator Erbele.**

**A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.**

**Chairman Holmberg:** This goes back to the Education Committee. **Senator Schaible will carry the bill.**

The hearing was closed on HB 1301

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1301

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$550,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

This bill removes the sunset provision on the amendments to 15.1-29-14 and 15.1-32-19 made last session relating to excess cost and boarding care reimbursements.

- 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.*

Section 1 allows a school district to be reimbursed from state funds the excess education and related costs for students voluntarily placed in licensed child care facilities located within their resident school district. Previously a school district was reimbursed for all costs exceeding 4.0 times the state average cost (est. \$42,000) for these placements. The change allows reimbursement for all costs exceeding the state average cost (est. \$10,500). Section 2 allows a school district to be reimbursed from state funds 80% of the cost of boarding care for students placed in programs located within the student's resident school district. Previously the school district was responsible for 100% of the boarding care costs of these placements. 2011-12 data identified nine student contracts resulting in \$144,865 excess cost reimbursement that would not have been previously eligible. Boarding care reimbursements totaled \$128,174. The total costs identified total \$273,039. The impact for the biennium will be approximately \$550,000.

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, 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.*

The Department of Public Instruction's appropriation bill HB 1013 contains \$16,500,000 for special education contracts. The costs identified above are expected to be absorbed by that line item.

**Name:** Jerry Coleman

**Agency:** Public Instruction

**Telephone:** 328-4051

**Date Prepared:** 01/19/2013

Date: 3-19-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 1301

Senate Appropriations Committee

Check here for Conference Committee

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

Action Taken  Adopt Amendment  Do Pass  
 Do Pass as Amended  Do Not Pass

Motion Made By Robinson Seconded By Erbele

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Education Schaible

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

**REPORT OF STANDING COMMITTEE**

**HB 1301: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1301 was placed on the Fourteenth order on the calendar.**

**2013 TESTIMONY**

**HB 1301**

Testimony to the  
Subcommittee on Education  
North Dakota House of Representatives

**Connie Hovendick**  
**January 29, 2013**

Chairman, Mike Nathe, and members of the committee, I am honored to have the opportunity to address the North Dakota boarding care system for students with disabilities. My name is Connie Hovendick, Special Education Director, from the Lake Region Special Education Unit, located at 801 5<sup>th</sup> Ave SE, Devils Lake, ND. I am here today to testify in support of House Bill No. 1301.

Two years ago the Sixty-Second Legislative Assembly amended and reenacted subsection 1 of section 15.1-29-14 and section 15.1-32-19 of the North Dakota Century Code, allowing school district reimbursement for boarding care costs regardless of the student's school of residence. This has allowed Devils Lake to continue to have a funding source for students placed at New Outlooks or Harmony House but has a sunset clause of June 2013. House Bill No. 1301 would remove the expiration date from the emergency amendment.

The Lake Region Special Education Unit has two established group homes. New Outlooks is a group home for students over the age of 16 with intellectual disabilities. This group home works closely with the public school classroom during the day to provide academic and vocational programming along with providing independent living training in the evening. This has been a very successful program and upon graduation many of the students continue to live and work in the community.

The second group home is Harmony House which was developed for students with emotional/behavior concerns. This program gives students 24 hour programming which has proven successful over the years to address emotional and behavior issues. I have personally worked at Harmony House and have seen students learn new skills that have enabled them to successfully return to their home and school.

For over 30 years these group homes have used boarding care dollars from ND DPI as a funding source. Without the change to the century code, this would have ended for students living in Devils Lake since that is where the group homes are located. The change was made two years ago with a sunset clause to see what impact it would have on the ND DPI budget. According to DPI information this has had a minor impact of \$144,865.

Since the impact on the budget is minor, I am in support of HB 1301 so there is equitable payment for boarding care placements across the state of North Dakota. This would leave the amendments to subsection 1 of section 15.1-29-14 and section 15.1-32-19 of the North Dakota Century Code without a sunset clause. I also have a letter of support for HB 1301 from the North Dakota Study Council of Special Education Directors.

Thank you for your time and consideration,

Sincerely,

Connie Hovendick, PhD  
Director of Lake Region Special Education

**North Dakota Special Education Study Council  
c/o Box 1005  
Hazen, ND 58545-1005**

Jesse J. Krieger, Chair  
John Porter, Chair-Elect  
Cindy Wilcox, Secretary/Treasurer

January 21, 2013

Legislative Council  
State Capitol  
600 East Boulevard  
Bismarck, ND 58505-0360

Dear Chairman Nathe and Committee members:

As Chairman of the North Dakota Special Education Study Council, I am writing on their behalf in support of House Bill 1301. Our organization of Directors of Special Education from across North Dakota is in support of the Bill as presented.

We support equity for financial responsibility for high cost students for all school districts. This bill would continue to provide equity for school districts in North Dakota that have residential facilities within their school district boundaries who accept parentally placed students.

Sincerely,

Jesse J. Krieger, Ed.S  
Chairman,  
North Dakota Special Education Study Council

**Testimony to the Subcommittee on Education****North Dakota House of Representatives****Rhoda Young, James River Special Education Director**

Mr. Chairman and members of the committee, my name is Rhoda Young of Jamestown. I am the Director of Special Education for the James River Special Education Cooperative, which includes Jamestown and James River Special Education Units. I am testifying in favor of HB 1301.

Last legislative session HB 1074 was passed with a sunset clause. HB 1301 will amend and reenact NDCC sections 15.1-29-14 and 15.1-32-19.

Prior to passage of HB 1074, North Dakota Century Code 15.1-29-14 stated that when a parent voluntarily places their child in a state-operated or state-licensed child care facility that is OUTSIDE THEIR DISTRICT OF RESIDENCE, the district is obligated to pay the "average cost" of education for the child's placement. The state covers costs beyond the "average cost".

When this type of placement occurs WITHIN the DISTRICT OF RESIDENCE, the district is obligated to "FOUR TIMES the average cost" of education. This affects the Jamestown School District in that students who reside in the Jamestown School District, whose parents opt to place their child at Anne Carlsen Center, prior to the passage of HB 1074, cost the school district four times the average cost of education.

I've included a table of educational costs for students residing in Jamestown who are placed at ACC for school year 2010-11, 2011-12 and 2012-13. Those indicating placement with the letters

DD are parentally placed students. You can see the costs with the district capped costs with HB 1074 in place and the costs without HB1074 and the difference along the right hand side of the chart. Please note that this chart assumes that these students' placements would have been for an entire year. The cost difference varies of course depending on #'s of students placed voluntarily by parents each year.

Without the passage of HB 1301, Century Code language will revert back to its original language, which Jamestown School district views to be an inequality. Jamestown School District should not be penalized for the fact that ACC is in the community of Jamestown. On behalf of the Jamestown School District and the James River Special Education Cooperative, I ask for your support of HB 1301.

**ACC Placements - Jamestown Public School**

<b>2010-11</b>	Cap w/o HB1074	Cap with HB1074	Difference
DD placed	35,845.20	8,961.30	
DD placed	37,115.32	9,278.83	
DD placed	37,115.32	9,278.83	
School placed	37,115.32	37,115.32	
School placed	35,845.20	35,845.20	
School placed	35,845.20	35,845.20	
<b>Total</b>	<b>218,881.56</b>	<b>136,324.68</b>	<b>82,556.88</b>
<b>2011-12</b>			
DD placed	40,453.08	10,113.27	
DD placed	40,453.08	10,113.27	
DD placed	39,640.76	9,910.19	
School placed	40,453.08	40,453.08	
School placed	39,640.76	39,640.76	
School placed	39,640.76	39,640.76	
School placed	39,640.76	39,640.76	
<b>Total</b>	<b>279,922.28</b>	<b>189,512.09</b>	<b>90,410.19</b>
<b>2012-13</b>			
DD placed	42,752.16	10,688.04	
DD placed	40,428.56	10,107.14	
School placed	40,428.56	40,428.56	
School placed	40,428.56	40,428.56	
School placed	40,428.56	40,428.56	
School placed	40,428.56	40,428.56	
<b>Total</b>	<b>244,894.96</b>	<b>182,509.42</b>	<b>62,385.54</b>

**North Dakota Special Education Study Council  
c/o Box 1005  
Hazen, ND 58545-1005**

Jesse J. Krieger, Chair  
John Porter, Chair-Elect  
Cindy Wilcox, Secretary/Treasurer

January 21, 2013

Legislative Council  
State Capitol  
600 East Boulevard  
Bismarck, ND 58505-0360

Dear Chairman Nathe and Committee members:

As Chairman of the North Dakota Special Education Study Council, I am writing on their behalf in support of House Bill 1301. Our organization of Directors of Special Education from across North Dakota is in support of the Bill as presented.

We support equity for financial responsibility for high cost students for all school districts. This bill would continue to provide equity for school districts in North Dakota that have residential facilities within their school district boundaries who accept parentally placed students.

Sincerely,

Jesse J. Krieger, Ed.S  
Chairman,  
North Dakota Special Education Study Council

Instruct#/SchYr/Educator/Resident District	Values			
	Notificaiton Number	Number of Days	Grade	Excess Cost
<b>73</b>				
<b>Regular</b>				
Dakota Boys & Girls Ranch - Bismarck	4520	13	12	1422.62
Bismarck 1	4520	13	12	1422.62
<b>76</b>				
<b>Regular</b>				
Dakota Boys & Girls Ranch - Minot	4763	55	10	5695.16
Minot 1	4763	55	10	5695.16
<b>34</b>				
<b>Regular</b>				
Anne Carlsen Center	4120	63	12	22193.74
Jamestown 1	4120	63	12	22193.74
<b>39</b>				
<b>Regular</b>				
Anne Carlsen Center	4122	180	13	71345.59
Jamestown 1	4122	180	13	71345.59
<b>47</b>				
<b>Regular</b>				
Dakota Boys & Girls Ranch - Bismarck	5899	35	11	3830.14
Bismarck 1	5899	35	11	3830.14
<b>'45</b>				
<b>Regular</b>				
Anne Carlsen Center	4098	79	14	25356.74
Jamestown 1	4098	79	14	25356.74
<b>180</b>				
<b>Regular</b>				
Valley City 2	5891	33	14	1578.78
Valley City 2	5891	33	14	1578.78
<b>167</b>				
<b>Summer</b>				
Anne Carlsen Center	4122	46	13	13442.54
Jamestown 1	4122	46	13	13442.54
<b>Grand Total</b>	<b>37535</b>	<b>504</b>	<b>99</b>	<b>144865.31</b>

2011-2012

Boarding Care State Excess Costs

Row Labels	Sum of StateReimbursementForBoardingCare
<b>SchoolPlacedForEducationOtherSchool</b>	<b>128173.71</b>
<b>Devils Lake 1</b>	<b>113666.38</b>
Harmony House	57146.38
<b>3334</b>	<b>6301.86</b>
5405	6301.86
<b>3336</b>	<b>12174.04</b>
5406	12174.04
<b>3337</b>	<b>16327.54</b>
5407	16327.54
<b>4366</b>	<b>11171.47</b>
5407	11171.47
<b>4369</b>	<b>11171.47</b>
5405	11171.47
New Outlooks	56520
<b>3318</b>	<b>11304</b>
4566	11304
<b>3327</b>	<b>11304</b>
4637	11304
<b>3329</b>	<b>11304</b>
4654	11304
<b>3331</b>	<b>11304</b>
4656	11304
<b>3333</b>	<b>11304</b>
4658	11304
<b>Minot 1</b>	<b>14507.33</b>
Dakota Boys & Girls Ranch - Minot	14507.33
<b>4098</b>	<b>14507.33</b>
6033	14507.33
<b>Grand Total</b>	<b>128173.71</b>

Testimony to the  
Subcommittee on Education  
North Dakota House of Representatives

#1

**Connie Hovendick**  
**January 29, 2013**

Chairman, Mike Nathe, and members of the committee, I am honored to have the opportunity to address the North Dakota boarding care system for students with disabilities. My name is Connie Hovendick, Special Education Director, from the Lake Region Special Education Unit, located at 801 5<sup>th</sup> Ave SE, Devils Lake, ND. I am here today to testify in support of House Bill No. 1301.

Two years ago the Sixty-Second Legislative Assembly amended and reenacted subsection 1 of section 15.1-29-14 and section 15.1-32-19 of the North Dakota Century Code, allowing school district reimbursement for boarding care costs regardless of the student's school of residence. This has allowed Devils Lake to continue to have a funding source for students placed at New Outlooks or Harmony House but has a sunset clause of June 2013. House Bill No. 1301 would remove the expiration date from the emergency amendment.

The Lake Region Special Education Unit has two established group homes. New Outlooks is a group home for students over the age of 16 with intellectual disabilities. This group home works closely with the public school classroom during the day to provide academic and vocational programming along with providing independent living training in the evening. This has been a very successful program and upon graduation many of the students continue to live and work in the community.

The second group home is Harmony House which was developed for students with emotional/behavior concerns. This program gives students 24 hour programming which has proven successful over the years to address emotional and behavior issues. I have personally worked at Harmony House and have seen students learn new skills that have enabled them to successfully return to their home and school.

For over 30 years these group homes have used boarding care dollars from ND DPI as a funding source. Without the change to the century code, this would have ended for students living in Devils Lake since that is where the group homes are located. The change was made two years ago with a sunset clause to see what impact it would have on the ND DPI budget. According to DPI information this has had a minor impact of \$144,865.

Since the impact on the budget is minor, I am in support of HB 1301 so there is equitable payment for boarding care placements across the state of North Dakota. This would leave the amendments to subsection 1 of section 15.1-29-14 and section 15.1-32-19 of the North Dakota Century Code without a sunset clause. I also have a letter of support for HB 1301 from the North Dakota Study Council of Special Education Directors.

Thank you for your time and consideration,

Sincerely,

Connie Hovendick, PhD  
Director of Lake Region Special Education

North Dakota Special Education Study Council  
c/o Box 1005  
Hazen, ND 58545-1005

(# 1  
Continued)

Jesse J. Krieger, Chair  
John Porter, Chair-Elect  
Cindy Wilcox, Secretary/Treasurer

January 21, 2013

Legislative Council  
State Capitol  
600 East Boulevard  
Bismarck, ND 58505-0360

Dear Chairman Nathe and Committee members:

As Chairman of the North Dakota Special Education Study Council, I am writing on their behalf in support of House Bill 1301. Our organization of Directors of Special Education from across North Dakota is in support of the Bill as presented.

We support equity for financial responsibility for high cost students for all school districts. This bill would continue to provide equity for school districts in North Dakota that have residential facilities within their school district boundaries who accept parentally placed students.

Sincerely,

Jesse J. Krieger, Ed.S  
Chairman,  
North Dakota Special Education Study Council

Testimony to the Subcommittee on Education (in favor of HB 1301)

H2

North Dakota Senate

Rhoda Young, James River Special Education Director, Jamestown, ND

Chairman Flakoll and members of the Committee, my name is Rhoda Young of Jamestown. I am the Director of Special Education for the James River Special Education Cooperative, which includes Jamestown and James River Special Education Units. I am testifying in favor of HB1301.

Last legislative session HB 1074 was passed with a sunset clause. I am testifying today in favor of HB 1301, which will amend and reenact NDCC sections 15.1-29-14 and 15.1-32-19.

Prior to passage of HB 1074, North Dakota Century Code 15.1-29-14 stated that when a parent voluntarily places their child in a state-operated or state-licensed child care facility that is OUTSIDE THEIR DISTRICT OF RESIDENCE, the district is obligated to pay the "average cost" of education for the child's placement. The state covers costs beyond the "average cost".

When this type of placement occurs WITHIN the DISTRICT OF RESIDENCE, the district is obligated to "FOUR TIMES the average cost" of education. This affects the Jamestown School District in that students who reside in the Jamestown School District, whose parents opt to place their child at Anne Carlsen Center, prior to the passage of HB 1074, cost the school district four times the average cost of education.

I've included a table of educational costs for students residing in Jamestown who are placed at ACC for school year 2010-11, 2011-12 and 2012-13. Those indicating placement with the letters



DD are parentally placed students. You can see the costs with the district capped costs with HB 1074 in place and the costs without HB1074 and the difference along the right hand side of the chart. Please note that this chart assumes that these students' placements would have been for an entire year. The cost difference varies of course depending on #'s of students placed voluntarily by parents each year.

It is always likely that Jamestown will have more students whose parents reside in the district with children placed at ACC because there is a tendency for families to move to the community to be in closer proximity to their child.



Without the passage of HB 1301, Century Code language will revert back to its original language, which Jamestown School district views to be an inequality. Jamestown School District should not be penalized for the fact that ACC is in the community of Jamestown. On behalf of the Jamestown School District and the James River Special Education Cooperative, I ask for your support of HB 1301.

