

2023 SENATE EDUCATION

SB 2328

2023 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

SB 2328
1/24/2023

Relating to weighting factors for rural schools.

2:00 PM Chair Elkin opened the hearing. Present: Chair Elkin, Vice Chair Beard, Sen Axtman, Sen Conley, Sen Lemm, and Sen Wobbema.

Discussion Topics:

- Finances
- Fixed school costs
- Transitional minimum payments
- Inflation
- Labor shortage

2:01 PM Sen Wanzek, Dist 29, bill sponsor and testified in support.

2:06 PM Ian Grandy, Principal in Hope/Page School, testified in support #16403.

2:22 PM Tom Nitschke, Supt, Litchfield, ND, testified in support with no written testimony.

2:24 PM Marc Ritteman, Supt of Lewis and Clark School Dist. Testified in support #16342.

2:32 PM Sheila Schlafmann, Supt-Turtle Lake/Mercer School testified in support #16230.

2:35 PM Dr. Russell Ziegler, Supt Elgin/New Leipzig School, testified in support #16308

2:39 PM Brandt Dick, ND SOS testified in support with no written testimony.

2:40 PM Adam Tresher, DPI Financial Division, testified neutral on the bill with no written testimony.

Additional written testimony:

Cari Kramer, Supt Wing Public School, in support #16327

2:45 PM Chair Elkin closed the hearing.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

SB 2328
1/25/2023

Relating to weighing factors for rural schools.

2:00 PM Chair Elkin opened committee work. Present: Chair Elkin, Vice Chair Beard, Sen Axtman, Sen Conley, Sen Lemm, and Sen Wobbema.

Discussion Topics:

- Committee action

Aimee Copas, Director ND Council of Educational Leaders verbally provided information.

Sen Wobbema moved a DO PASS on Amendment LC 23.0995.01001
Sen Lemm seconded the motion.

Senators	Vote
Senator Jay Elkin	Y
Senator Todd Beard	Y
Senator Michelle Axtman	Y
Senator Cole Conley	N
Senator Randy D. Lemm	Y
Senator Michael A. Wobbema	Y

VOTE: YES – 5 NO – 1 Absent – 0

Motion PASSED

Sen Wobbema moved a DO PASS as Amended and be Referred to Appropriations.
Sen Lemm seconded the motion.

Senators	Vote
Senator Jay Elkin	Y
Senator Todd Beard	Y
Senator Michelle Axtman	Y
Senator Cole Conley	N
Senator Randy D. Lemm	Y
Senator Michael A. Wobbema	Y

VOTE: YES – 5 NO – 1 Absent – 0

Motion PASSED

Sen Elkin will carry the bill.

2:55 PM Chair Elkin adjourned the meeting.

Pam Dever, Committee Clerk

January 25, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2328

Page 1, line 1, remove "subdivision i of subsection 1 of section 15.1-27-03.1"

Page 1, line 2, remove "and"

Page 1, remove lines 5 through 17

Renumber accordingly

AG
1-25-23
(1-1)

REPORT OF STANDING COMMITTEE

SB 2328: Education Committee (Sen. Elkin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2328 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, remove "subdivision i of subsection 1 of section 15.1-27-03.1"

Page 1, line 2, remove "and"

Page 1, remove lines 5 through 17

Renumber accordingly

2023 SENATE APPROPRIATIONS

SB 2328

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2328
2/6/2023

A BILL for an Act relating to weighting factors for rural schools.

11:19 AM Chairman Sorvaag opened the hearing on SB 2328.

Members present: Senators Sorvaag, Krebsbach, Rust, Schaible, and Meyer

Discussion Topics:

- Department of public instruction funding formula
- Rural school weighting factor
- Economies of scale
- Consolidation disincentives

11:19 AM Senator Terry Wanzek introduced the bill, testified in favor, no written testimony

11:24 AM Ian Grande, Superintendent Hope/Page District, testified in favor, testimony #19300

11:42 AM Mark Ritteman, Superintendent Lewis & Clark School District, testified in favor, testimony #19322, #19205

11:57 AM Stephanie Roland, Lewis & Clark School District teacher, testified in favor, testimony #19190

12:00 PM Seth Engelstead, Superintendent of the North Border School District, testified in favor, testimony #19169

12:04 PM Steph Hochhalter, Assistant Principal North Shore Plaza, testified in favor, no written testimony

12:06 PM Jacob Jenkins, Principal Berthold Public Schools, testified in favor, testimony #19207

12:09 PM Erik Sveet, Superintendent TGU, testified in favor, no written testimony

Additional written testimony:

- Rebecca Hornung, Testimony # 19171

12:12 PM Chairman Sorvaag closed the hearing.

Kathleen Hall, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations – Education and Environment Division
Sakakawea Room, State Capitol

SB 2328
2/10/2023

A BILL for an Act relating to weighting factors for rural schools.
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9:37 AM Chairman Sorvaag opened the meeting.

Senators Sorvaag, Schaible, Krebsbach, Rust, and Meyer are present.

Discussion Topics:

- Committee action

9:38 AM Senator Schaible introduced SB 2328.

9:40 AM Senator Schaible moved DO PASS.
Senator Krebsbach seconded the motion.

Senators	Vote
Senator Sorvaag	Y
Senator Schaible	Y
Senator Krebsbach	Y
Senator Rust	Y
Senator Meyer	Y

Motion passed 5-0-0.

Senator Schaible will carry the bill.

9:42 AM Senator Sorvaag closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2328
2/10/2023

Relating to weighting factors for rural schools.

11:12 AM Senator Bekkedahl opened the meeting.

Members present: **Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.**

Members Absent: **Senator Erbele**

Discussion Topics:

- Committee action

11:12 AM Senator Schiable introduced the bill.

11:26 AM Senator Burckhard moved DO PASS on SB 2328

11:26 AM Senator Vedaa seconded.

11:26 AM Roll call vote.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Karen K. Krebsbach	Y
Senator Randy A. Burckhard	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	A
Senator Curt Kreun	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Jim P. Roers	Y
Senator Donald Schaible	Y
Senator Ronald Sorvaag	Y
Senator Shawn Vedaa	Y
Senator Terry M. Wanzek	Y
Senator Rust	Y

Passed 15-0-1

Senator Elkin will carry the bill.

11:27 AM Chairman Bekkedahl closed the meeting.

Peter Gualandri on behalf of Kathleen Hall, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2328, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (15 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2328 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE EDUCATION

SB 2328

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2328
3/15/2023

Relating to weighting factors for rural schools.

9:02 AM

Chairman Heinert opened the hearing. Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Dyk, Hager, Hauck, Heilman, Hoverson, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons.

Discussion Topics:

- Small school higher costs
- Merged small schools
- School deconsolidation
- Multiple school buildings
- Multiple locations
- Per pupil payment
- Labor shortage
- Consolidated positions
- Busing time and distance
- Cumulative funding reduction
- Increased costs
- Formula flaw
- School funding formula
- Property rich districts

Sen. Terry Wanzek, District 29, introduced SB 2328, oral testimony
Ian Grande, Superintendent, Hope Page School District, Testimony 25084
Marc Rittenman, Superintendent, Lewis and Clark School District, Northwest ND,
Testimony 24767, 24768

Jacob Jenkins, Principal, Berthold Public School, Testimony 25062
Erik Sveet, Superintendent, TGU School District, Testimony 25134
Brandt Dick, President of North Dakota Small Organized Schools, oral testimony
Dr. Aimee Copas, Executive Director, NDCEL, oral testimony
Adam Tescher, School Finance Officer, ND DPI, oral testimony

Additional written testimony:

Seth Engelstad, Superintendent and Secondary Principal, North Border School District,
Northeast ND, Testimony 24889
Erin Sunday, Testimony 25667
Ross Thykeson, Testimony 25668
Mike Steinke, Testimony 25669
Megan Jacobsen, Testimony 25670
Brandon Roller, Testimony 25671
Esther Steinke, Testimony 25672

House Education Committee

SB 2328

03/15/23

Page 2

Kyle Erickson, Testimony 25674

Nick Brendemuhl, Testimony 25675

Justin Knott, Testimony 25676

Ben Albert, 25678

Sharon Johnson, Testimony 25679

Alfred Johnson, Testimony 25681

10:17 AM Chairman Heinert closed the hearing.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2328
3/20/2023

Relating to weighting factors for rural schools.

3:11 PM

Chairman Heinert opened the meeting. Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Dyk, Hager, Hauck, Heilman, Hoverson, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons.

Discussion Topics:

- Transportation issue
- Fiscal note
- Elementary school adjustments

The full committee discussed the above topics.

3:14 PM Meeting adjourned.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2328
3/21/2023

Relating to weighting factors for rural schools.

10:54 AM Chairman Heinert opened the meeting.

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Hager, Hauck, Heilman, Hoverson, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons. Absent: Representative Dyk.

Discussion Topics:

- Committee action
- Transportation funding

Adam Tescher, School Finance Officer, ND DPI, Testimony #26103
Mike Heilman, ND Small Organized Schools, oral testimony

11:30 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2328
3/21/2023

Relating to weighting factors for rural schools.

3:10 PM Chairman Heinert opened the meeting.

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Hager, Hauck, Heilman, Hoverson, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons. Absent: Representative Dyk.

Discussion Topics:

- Colony schools
- Multiple plant districts
- Study formula
- Flat grant
- School board leadership
- REAs

Mike Heilman, ND Small Organized Schools, Testimony 26163
Adam Tescher, School Finance Officer, ND DPI, Testimony 26103
Dr. Aimee Copas, Executive Director, NDCEL, oral testimony

4:24 PM Meeting adjourned.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

SB 2328
3/22/2023

Relating to weighting factors for rural schools.

10:01 AM Chairman Heinert opened the meeting.

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Dyk, Hager, Hauck, Heilman, Hoverson, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons.

Discussion Topics:

- Legislative study
- Funding formula
- Task force
- Bipartisan task force
- School Funding Task Force

Rep Schreiber-Beck, oral testimony

Brandt Dick, Burleigh County Superintendent of Schools, came forward to answer questions.

11:36 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

SB 2328
3/27/2023

Relating to weighting factors for rural schools.

10:13 AM Chairman Heinert opened the meeting.

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Dyk, Hager, Hauck, Heilman, Hoverson, Jonas, Marschall, Murphy, Novak, and Timmons.
Absent: Representatives Longmuir and Conmy.

Discussion Topics:

- Committee action

Rep Heinert, Amendment 23.0995.02002 (Testimony 26736, 26737)

Rep Heilman moved to adopt Amendment 23.0995.02002 (Testimony 26736), seconded by Rep Hoverson.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	AB
Representative Scott Dyk	Y
Representative LaurieBeth Hager	N
Representative Dori Hauck	Y
Representative Matt Heilman	Y
Representative Jeff A. Hoverson	Y
Representative Jim Jonas	N
Representative Donald W. Longmuir	AB
Representative Andrew Marschall	Y
Representative Eric James Murphy	N
Representative Anna S. Novak	N
Representative Kelby Timmons	Y

8-4-2 Motion carried.

Rep Murphy moved an amendment to SB 2328 to fund at the \$8 million in the original bill, seconded by Rep Hager.

Representatives	Vote
Representative Pat D. Heinert	N
Representative Cynthia Schreiber-Beck	N
Representative Liz Conmy	AB
Representative Scott Dyk	N
Representative LaurieBeth Hager	Y
Representative Dori Hauck	N
Representative Matt Heilman	N
Representative Jeff A. Hoverson	N

Representative Jim Jonas	Y
Representative Donald W. Longmuir	AB
Representative Andrew Marschall	N
Representative Eric James Murphy	Y
Representative Anna S. Novak	Y
Representative Kelby Timmons	Y

5-7-2 Motion failed.

Rep Heilman moved a Do Pass as Amended and Rerefer to Appropriations, seconded by Rep Novak.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	AB
Representative Scott Dyk	Y
Representative LaurieBeth Hager	N
Representative Dori Hauck	Y
Representative Matt Heilman	Y
Representative Jeff A. Hoverson	Y
Representative Jim Jonas	N
Representative Donald W. Longmuir	AB
Representative Andrew Marschall	Y
Representative Eric James Murphy	N
Representative Anna S. Novak	Y
Representative Kelby Timmons	Y

9-3-2 Motion carried. Rep Hauck is carrier.

10:17 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

March 24, 2023

AG
3-27-23
(1-2)

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2328

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; to provide for a legislative management report; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment; and

- j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors.
3. The task force may:
 - a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
 4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

AG
3-27-23
(2-2)

SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - SCHOOL DISTRICT OPERATING GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,095,040, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing operating grants to school districts, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this section is to be considered one-time funding. The department of public instruction shall provide grants to school districts as follows:

<u>School District</u>	<u>Grant</u>
Hope-Page public school district	\$150,000
Dakota prairie school district	409,316
Midkota public school district	264,437
North border school district	687,145
TGU school district	809,927
Lewis and Clark public school district	<u>774,215</u>
Total	\$3,095,040
Renumber accordingly	

REPORT OF STANDING COMMITTEE

SB 2328, as engrossed: Education Committee (Rep. Heinert, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2328 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; to provide for a legislative management report; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

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 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment; and
 - j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors.
3. The task force may:

- a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

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There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,095,040, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing operating grants to school districts, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this section is to be considered one-time funding. The department of public instruction shall provide grants to school districts as follows:

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North border school district	687,145
TGU school district	809,927
Lewis and Clark public school district	<u>774,215</u>
Total	\$3,095,040

Renumber accordingly

2023 HOUSE APPROPRIATIONS

SB 2328

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2328
4/5/2023

BILL for an Act to create a school funding task force; to provide for a legislative management report

10:36 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

All Members Present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- HOG House Amendment
- Factors to Consider
- Elementary Adjustment Allowance
- Minimum Funding per School

Representative Heinert- Introduces the bill and its purpose.

10:46 AM Chairman Vigesaa Closed the meeting for SB 2328

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

SB 2328
4/11/2023

BILL for an Act to create a school funding task force; to provide for a legislative management report

10:29 AM Chairman Vigesaa Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, and Representative G. Stemen

Members not Present- Representative J. Nelson and Representative Swiontek

Discussion Topics:

- Amendment
- Committee Action

Chairman Vigesaa- Opens discussion on bill and explains amendment 23.0995.02003 (Testimony #27432)

Representative Richter- Move to adopt amendment 23.0995.02003

Representative Nathe- Seconds the motion.

Committee Discussion- Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	A
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y

Representative Jon O. Nelson	A
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	A

Motion Carries 19-0-4

Representative Nathe- Move a Do Pass as Amended

Representative Richter - Seconds the Motion

Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Mike Brandenburg	Y
Representative Karla Rose Hanson	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	A
Representative Emily O'Brien	Y
Representative Brandy Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Randy A. Schobinger	Y
Representative Greg Stemen	Y
Representative Michelle Strinden	Y
Representative Steve Swiontek	A

Motion Carries 21-0-2 Representative Heinert will carry the bill

10:42 AM Chairman Vigesaa Closed the meeting for SB 2328

Risa Berube, Committee Clerk

OR
4-12-23
172

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2328

In lieu of the amendments adopted by the House as printed on pages 1375-1377 of the House Journal, Engrossed Senate Bill No. 2328 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
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 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment;

- DR
4-12-23
2jz
- j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors; and
 - k. Analyze the cost of distance education, comparing the costs of different methods of instruction delivery, including synchronous as compared to asynchronous instruction.
3. The task force may:
- a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2328, as engrossed and amended: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2328, as amended, was placed on the Sixth order on the calendar.

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Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment;
 - j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors; and

- k. Analyze the cost of distance education, comparing the costs of different methods of instruction delivery, including synchronous as compared to asynchronous instruction.
3. The task force may:
 - a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

2023 CONFERENCE COMMITTEE

SB 2328

2023 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

SB 2328
4/20/2023
CONFERENCE COMMITTEE

To create a school funding task force; provide for a legislative management report.

4:30 PM Chair Axtman opened the meeting. Present: Chair Axtman, Sen Conley, Sen Lemm, Chair Heinert, Rep Hauck, and Rep Richter.

Discussion Topics:

- Hog house
- 11 categories
- 'Shall' not 'must'

Chair Axtman asked Chair Heinert to explain why Hog House. Sen Axtman handed out her thought to further amend. #27762.

Sen Conley moved Senate accede to House Amendments and further amend.

Sen Lemm seconded the motion.

ROLL CALL VOTE: YES – 6 NO – 0 Absent – 0 Motion PASSED

Sen Axtman will carry the bill for the Senate.

Rep Heinert will carry the bill for the House.

4:58 PM Chair Axtman adjourned the meeting.

Pam Dever, Committee Clerk

NOTE: after meeting adjourned, Legislative Council called the intern to change the wording to:

House recede from House amendments and amend as follows. Liz (LC) watched the video and corrected the words.

April 20, 2023

4-20-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2328

That the House recede from its amendments as printed on pages 1660 and 1661 of the Senate Journal and pages 1925 and 1926 of the House Journal and that Engrossed Senate Bill No. 2328 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The chair of legislative management may add additional, temporary nonvoting members to the task force, as deemed necessary by the task force chair, to serve without compensation. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;

4-20-23

- i. Review school transportation costs considering location, size, and student enrollment;
 - j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors; and
 - k. Analyze the cost of distance education, comparing the costs of different methods of instruction delivery, including synchronous as compared to asynchronous instruction.
3. The task force may:
- a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2328, as engrossed: Your conference committee (Sens. Axtman, Conley, Lemm and Reps. Heinert, Hauck, Richter) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1660-1661, adopt amendments as follows, and place SB 2328 on the Seventh order:

That the House recede from its amendments as printed on pages 1660 and 1661 of the Senate Journal and pages 1925 and 1926 of the House Journal and that Engrossed Senate Bill No. 2328 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The chair of legislative management may add additional, temporary nonvoting members to the task force, as deemed necessary by the task force chair, to serve without compensation. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
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 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
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- j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors; and
 - k. Analyze the cost of distance education, comparing the costs of different methods of instruction delivery, including synchronous as compared to asynchronous instruction.
3. The task force may:
- a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

Engrossed SB 2328 was placed on the Seventh order of business on the calendar.

TESTIMONY

SB 2328

SB 2328

Testimony in support

Senator Elkin and members of the Senate Education Committee. Thank you for the opportunity to provide comments on Senate Bill 2328. My name is Sheila Schlafmann, I am the Superintendent of Turtle Lake – Mercer School District 72. Turtle Lake – Mercer currently has 177 students in grades kindergarten through 12. Our district is spread out over 530 square miles with the city of Turtle Lake located pretty close to the center of our district. Today I would like to share why senate bill 2328 is important to our district.

The TL-M school district runs five bus routes. In 2021-22 our bus routes ran 41, 53, 59, 73, and 74 miles per run for a total of up to 600 miles per day. The amount of time our students spent on a bus ranged from 55 to 100 minutes. Of our current 177 students, 107 of those students utilize school transportation as their families live outside of city limits. If our school district did not exist the Turtle Lake – Mercer students would have to travel to McClusky, Wilton, Washburn, Underwood, Garrison, or Velva depending on where they are located in our district.

In the 2016-17 school year our enrollment was 186 students K – 12, this year we have 177 students K – 12. While we have seen that number decrease and rebound over the years, we have not seen it grow beyond 186 students. Our enrollment is a vital piece of our funding. In 2016-17 our foundation aid payment was \$1,750,234.53, now in 2022-23 we are receiving \$1,486,049.41. That is a decrease of \$264,185.12 which now includes a yearly decrease of 15% in our Transition Minimum payment. In order to keep up with inflation, fluctuating enrollments, individual student needs, and salary increases we have had to increase our local tax levies by \$365,000.00 since 2016-17 and have now reached our max of 70 mills. Knowing that our foundation aid payment is decreasing we have still been making a conscious effort to increase teacher pay, since 2016-17 we have increased our base salary by 16.4% for teachers while increasing our administrative salaries by 6.5%. We have made teacher salary a priority in our district because we as administration feel it is important to recruit and retain quality educators. In 2021 we deficit spent by \$10,680.98, last year was \$58,182.88, and this year we are on track to deficit spend even more. We need your support and senate bill 2328 is the financial support we need right now.

Thank you for allowing me to share our story, I kindly ask you to consider this testimony as you discuss senate bill 2328 to support not only Turtle Lake – Mercer School District 72, but also the other 24 school districts that are similar to my district in square miles and enrollment.

 1-24-2023

Elgin
 PO Box 70
 Elgin, ND 58533-0070
 701-584-2374 - telephone
 701-584-3018 - fax
 www.gcs.k12.nd.us

ELGIN/NEW LEIPZIG PUBLIC SCHOOL DISTRICT #49

Russell Ziegler, Superintendent



Home of the Coyotes

Terry T. Bentz, Secondary Principal
 Jared Bollom, Elementary Principal
 Board of Education
 Randy Fischer, President
 Beth Roth, Vice President
 Directors:
 Larissa Harding
 Lamont Gaugler
 Chad Gappert
 Amanda Petrick
 Andy Rosin
 Gayle Beyer, Business Manager

January 24, 2023

Chairman Elkin and members of the Senate Education Committee,

I am Dr. Russ Ziegler, Superintendent for the Elgin/New Leipzig School District #49 (E/NL). I am here today to testify in support of SB 2328. The addition to section 15.1-27-03.1 which would increase the weighting factor for schools that have under 200 students but over 400 square miles would be very helpful to the E/NL schools. Currently E/NL schools has an average daily membership of 155.09 students. students in grades pk – 12 and consistest are 694 square miles. Because of the size of the district and the number of students Elgin/New Leipzig is one of the Transistion Minimum schools. When the formula changed from Land to Students the district would have taken a large hit to it's operating revenue. The legislature grandfathered in that for schools like us we would be able to keep the funding we had originally. Now as we are trying to get back onto the formula 15% of that dollar amount is being subtracted every year to get us there, currently we are on year two so that is 30%. For the 2022-2023 school year that equated to 30% of \$352,809.81 which is \$105,842.94. Estimating the 2023 – 2024 the transistion minimum reducation for E/NL would be 45% of \$352,809.81 which would be approximately \$158,764.41. That is a cut in revenue of 52,921.47 in one year.

However, the issue comes when we have declining enrollment. In my opinion the E/NL school could adequately educate 75 - 100 more students spread out over the 12 grades, with no additional staffing or expenses. Having that many more students would generate at the minimum of $75 * \$10,237 = \$767,775$. Because the funding formula is based off of the number of students, we lose funding when the student number drops and we lose funding to get us onto the formula. It is a lose-lose situation. SB 2328 would help in that it would increase the weighting for schools of our size with a large land mass. That would help offset the loss we see in getting onto the formula.

Schools of this size are on a disadvantage because we have the same expenses as others but we do not have the revenue (number of students) others do. We have to work with older facilities, with minimal staff to make ends meet. Adding the weighting factor proposed by this bill will help with the inherent inequity in the formula. Because of that we support SB 2328.

Thank you,
 Dr. Russ Ziegler

SB 2328

Testimony in support

Senator Elkin and members of the Senate Education Committee,

My name is Cari Kramer and I am the Superintendent and High School Principal of Wing Public School. Thank you for the opportunity to provide comment on Senate Bill 2328. Wing Public School currently has seventy – one students in grades PK – 12. Our district is spread out just over 400 square miles. It is important that I share why SB 2328 is important to our district.


Our enrollment has fluctuated around the mid -seventy range over the past five years although at one point enrollment at Wing was in the 120 student range but that was some time ago. Our enrollment is an integral part of our funding. In the 2019-2020 Wing Public School received \$1,038,940.46 in foundation aid; in 2020 -2021 we received \$1,010,361.94; in 2021-22, \$991 864.79 This year we are receiving \$961,284.88. The 15% Transition Minimum payment decreases our yearly payment regardless of enrollment. To keep up with rising costs and inflation our district has increase our local tax levies incrementally over the past two years. Additionally, we have worked hard to make our teacher compensation comparable to districts around us. Recruiting and retaining quality teachers is necessary to keep a school going. Despite sound and efficient budgeting decisions, Wing School District will be forced to continue to deficit spend as our funding decreases.

Wing School district serves students who live within the city limits of Wing, but a substantial number of our students are bussed in from rural areas in our district. If our district did not exist, our students would have to be transported further to other districts such as Kidder County, Bismarck, and Wilton depending on where the student resides.

Now more than ever, Wing Public School District and the other 24 schools districts that are similar to us need your support on Senate Bill 2328.

Thank you for your time.

Cari Kramer 1/24/2023



LEWIS & CLARK SCHOOL DISTRICT #161

Lewis & Clark—Berthold
Berthold Elem. and High School
P.O. Box 185
Berthold, ND 58718
453-3484

Berthold, North Shore Plaza Schools
Marc Ritteman, Superintendent
401 4th Avenue NE
Berthold, ND 58718

Lewis & Clark—North Shore Plaza
NSP Elem. And High School
P.O. Box 38
Plaza, ND 58771
497-3734

1/24/23

Chairman Elkin and Members of the Senate Education Committee,

For the record my name is Marc Ritteman. I am the superintendent of the Lewis and Clark School District, which is comprised of two K-12 schools located 30 miles apart: one in Berthold and one in Plaza. I am here today to speak in favor of the provision in Senate Bill 2328 that calls for funding districts with separate and distant schools based on the enrollment of each facility, rather than the enrollment of the district.

The current funding formula is designed to ensure all students in North Dakota receive an adequate and equitable education regardless of the circumstances of their district. It shouldn't matter whether a district is rich or poor, large or small, all students in North Dakota should have access to an adequate and equitable education.

One the most important components of the formula that ensures adequacy and equity is the district size weighting factor adjustment. The legislature has recognized that "smaller school districts do not benefit from the [same] economies of scale [as] larger school districts" and are less efficient. District size weighting factors exist to account for this inefficiency and ensure small and large districts are funded at a level that leads to an adequate and equitable education for all students.

We strongly support the district size weighting factor adjustment, but unfortunately we also believe there is a flaw in the formula. It does not account for districts like ours that operate separate schools a great distance apart. Our district has about 400 students with about 200 at each school. The formula assumes we can operate as efficiently as a district with 400 students in the same facility and does not take into account the *30 miles* that separates our two halves. Although, we *do* share some staff and resources, the distance makes it impossible to create the same efficiencies we would see if we were in the same building.

Funding the Lewis and Clark School District based on the individual enrollment of our separate schools would enable us to provide an adequate and equitable education for our kids. Up until this point, our transition minimum payment and increased local taxes have filled the void. Once transition minimum payments are eliminated completely, we will be left with a funding gap that cannot be filled to a level that is adequate and equitable.

We understand that transition minimums do not factor into the adequacy and equity equation, but their elimination has revealed a flaw in the *district size weighting factor* adjustment that hurts districts with separate and distant schools. That concludes my testimony. I will stand for questions.

Marc Ritteman, Supt.
Lewis and Clark School District

SB 2328 - Relating to Weighting Factors for Rural Schools

Chairman Elkin and Members of the Senate Education Committee,

My name is Ian Grande and I am blessed to have the opportunity to serve as the Superintendent and Secondary Principal of the Hope-Page School District. I am here in support of Senate Bill 2328. The Hope-Page School District is slated to see its state funding drop by 39% or \$1,458,599 from 2020-2021 to 2027-2028 - despite a small increase in the number of students the district serves. Assuming that the per pupil payment increased annually by an average of 1%, it would take 49 years (2069) for the Hope-Page School District's funding to exceed the 2020 funding level.

The situation becomes even more ominous when we consider the current inflationary environment we find ourselves in. Costs are likely going to be substantially higher in 2028 than they were in 2020 due to high inflation. Compounding the problem further is a shortage in labor. While the shortage of teachers in rural North Dakota is not a new phenomenon, the problem appears to be getting even worse in recent years. During the previous hiring cycle, the Hope-Page School District received zero applicants from North America for an open science position - two applicants eventually emerged from the Philippines.

Senate Bill 2328 offers a way to help schools like Hope-Page get onto the funding formula in a sustainable way. It is important to note that even if both proposals are passed as written and there is an annual increase of 1% to the funding formula, it will still take until 2031-2032 for Hope-Page's funding to return to the level it was at in 2020-2021. It will take a significant commitment and sacrifice from the school district and taxpayers to bridge that gap but there would be a framework in place for the school district to continue providing the best possible education for the students in our school district.

Senate Bill 2328 features two amendments to Century Code. Amendment #1 broadens the classification of isolated school districts to include districts that serve fewer than 200 students but have a landmass larger than 400 square miles. Amendment #2 would allow school districts

with multiple plants that are at least 14 miles apart to receive an independent weighting factor for each plant. Amendment #1 acknowledges the additional costs of operating a large land mass district with low population density while also helping school districts transition onto the funding formula in a sustainable way. Amendment #2 acknowledges the additional costs of operating two plants in separate communities that are at least 14 miles apart. It also removes a disincentive for smaller school districts to get creative with consolidation. Lastly, amendment #2 acknowledges that persistent inflation has caused a large spike in construction costs, making this an extremely poor time to pass a bond referendum for an addition to one of the plants.

Collectively, 24 of the 25 school districts (96%) that are positively affected by this legislation are slated to see their funding drop from 2020 through 2028 due to a loss in transition minimum funding. In 2027-2028, this group will see a drop in funding of \$13,691,107 when compared to 2020-2021. This would equate to an \$27,382,214 drop in funding for the biennium. Viewed from the opposite lens, the state of North Dakota is slated to realize a \$27,382,214 savings each biennium from these 25 schools due to the funding decrease. This is significant for two reasons. First, the fiscal note from this bill is covered by the reduction in funding that this group is slated to experience. Second, the groups collective funding will still be lower in 2027-2028 than it was in 2020-2021 even if the bill is passed exactly as it is written.

My primary motivation for coming here today is to advocate for the students in the Hope-Page School District and the communities that make up our district. My wife and I are proud parents of three young boys ages 5, 2, and 3 months. I am confident that our school district provides a high quality education to all of our students and Senate Bill 2328 would give us an opportunity to continue doing that.

I urge you to vote YES on SB 2328 and I am happy to answer any questions that you may have.

SB 2328 - Relating to Weighting Factors for Rural Schools

02/06/2023

Chairman Sorvaag and Members of the Senate,

My name is Seth Engelstad and I am the superintendent of the North Border School District. I am here today in support of Senate Bill 2328. This is my first year as a superintendent and my first year working for the North Border School District. I have been in the education field for 22 years and have been blessed to work with so many wonderful communities, students, and co-workers. I have seen our schools take on many roles, and responsibilities over the years. Education has seen some major hardships and this year is no exception.

Senate Bill 2328 will provide North Border with some much-needed funding to help soften the blow from our current revenue loss from being a transition minimum school. Each year until we are on the funding formula, we will see a 15% drop in revenue. So far, we have had to absorb around \$600,000 and by 2028 we will have to take on an additional 1.4 million dollar deduction in funding. This loss represents around a 1/3 of our budget.

The North Border School district was originally made up of three districts, Walhalla, Neche, and Pembina. The three districts became one in 2005, and the Neche school was closed in 2016. The Walhalla and Pembina schools are 35 miles apart and our district covers 546 square miles. We have worked very hard to be fiscally responsible and consolidate to better serve our students and community. Without bill 2328 there is no chance for North Border to operate both plants effectively.

Even if Senate Bill 2328 passes, North Border will continue to see a drop in funding over the next 5 years and our district will not see revenue close to what we currently have for many years to come. I urge you to vote for this bill and stand by districts like ours who have consolidated, been fiscally responsible, and promote what's best for our students and stakeholders.

Thank you for your time and consideration. We greatly appreciate your support and understanding. I would be happy to address any questions that you may have.

Seth Engelstad

SB 2328 - Relating to Weighting Factors for Rural Schools

02/06/2023

Chairman Sorvaag and Members of the Senate,

My name is Rebecca Hornung and I am a 7th grade teacher at North Border School in Walhalla, ND. I am writing to show my support for Senate Bill 2328. All three of my children have attended this school, with two of them already graduating from North Border. As a teacher and mother, I cannot stress the importance of our local schools to our children and communities.

I have lived in this area my entire life and have seen many small schools close over the years. I have seen the negative economic impact these closures have had on these communities. I feel that without this bill passing, our schools are being set up for decline and eventual closure.

In 2005, our school combined with Pembina and Nече after much push from the state to lessen the amount of school districts. Eventually, it became apparent that keeping the small Nече school open was not financial feasible, causing our district to make the difficult decision to close this school. This was not any easy choice, but the people of our communities realized it was what would be the best for our children and the remaining two schools.

I feel that even though we have done what the state originally wanted, we are still being penalized. Our district is very large, covering 546 miles, with our two remaining schools 35 miles apart. I can tell you that we as faculty and community members have worked very hard to make this arrangement work. I worry that if this bill does not pass, our district will not be able to survive the monetary hit our schools will take.

Thank you for your time.

Sincerely,

Rebecca Hornung

Chairman Sorvaag and members of the Senate Appropriations Committee,

I am Steph Roland. I am a teacher in the Lewis and Clark School district teaching 8th-12th grade social studies as well as taking on the role of curriculum coordinator, MTSS leader, mentor teacher, and instructional coach at Berthold School. I am here today to speak in favor of the provision in Senate Bill 2328 that calls for funding districts with separate and distant schools based on the enrollment of each facility, rather than the enrollment of the district.

Our district is made up of two schools, North Shore/Plaza and Berthold, which are 30 miles apart. On average, it takes a little under 40 minutes to get from one school to the other. Each school has about 200 students and is the center of its community; there is so much pride attached to being a Berthold Bomber or North Shore/Plaza Wildcat. Year after year, I have been able to form lasting relationships with my students and their families while watching my students become well-rounded individuals who find their passion in life. And as an educator, I do it all for the absolute love of teaching, but I also do it for a source of income.

Our school district is already stretched thin and struggles to provide financially for our teachers. District teachers have not received an adequate raise in the past few years. The legislature has tried its best to fund teachers' salaries, and our district and negotiators have done their best to reach compromises based on the realities of the situation. With the transition payments, we have been able to remain operable, but going forward we will be unable to sustain the staff that we have. We have already cut vital services to our student's education like our libraries and Family and Consumer Education- while Special Ed and VoAg are on a shoestring. What is next? Electives like Business and Music? Having teachers drive 40 min between schools to teach their content? That is not sustainable. That is not equitable. That is not fair.

The state is now in the position to provide increases to education, and that is so wonderful, but even this increase would mean nothing for our district without an amendment to the school district size weighting factor. Right now, the formula assumes we can operate as efficiently as a district with 400 students in the same

building and does not take into account the 30 miles that separates our two schools. It would be devastating to our students, teachers, families, and communities to not rectify this. As a profession, it is already hard to keep and retain teachers to stay in this line of work, but without the reevaluation of our weighting factor, our district would be in a desperate situation, unable to compensate our educators fairly. Many of our teachers would be forced to leave to find a living wage pay in another district, leaving the students the ones paying the price.

The weighting factor needs to be revisited for our unique situation. Please pass this amendment and help make education in our district equitable and adequate.

This concludes my testimony. I will now stand for questions.

Stephanie Pusc-Roland
Berthold School

LEWIS & CLARK SCHOOL DISTRICT #161

Lewis & Clark—Berthold
Berthold Elem. and High School
P.O. Box 185
Berthold, ND 58718
453-3484

Berthold, North Shore Plaza Schools
Marc Ritteman, Superintendent
401 4th Avenue NE
Berthold, ND 58718

Lewis & Clark—North Shore Plaza
NSP Elem. And High School
P.O. Box 38
Plaza, ND 58771
497-3734

2/6/23

Chairman Sorvaag and Members of the Senate Appropriations Committee,

For the record my name is Marc Ritteman. I am the superintendent of the Lewis and Clark School District which is located northwestern ND, just a little west of Minot. The district is made up of two K-12 schools located 30 miles apart: One in Berthold and one in Plaza. Each school has an enrollment of about 200 students.

I am here today to speak in favor of Senate Bill 2328. This bill is not only good for our district, but also a step in the right direction for all North Dakota districts looking to become more efficient. The current funding formula disincentivizes consolidation. If this formula existed twenty years ago, the Lewis and Clark School District would NOT have been formed despite the possible cost savings.

In 2003, three school districts, North Shore, Berthold, and Plaza consolidated to form the Lewis and Clark School District. This type of consolidation was incentivized by the state at the time. Interestingly, part of the pitch was eliminating multiple administrative positions. So twenty years ago, LCSD did voluntarily what HB 1251 is trying to do by force today.

There were initially four school buildings in the District.

- An elementary in Ryder
- An elementary in Plaza
- A high school in Makoti
- And a K-12 in Berthold

Over the years, the schools in Ryder and Makoti were closed and a high school was added to the building in Plaza. The consolidation enabled the district to reduce costs through the sharing of resources and staff.

As I mentioned earlier, each of our schools has an enrollment of about 200. According the most recent version of DPI's Finance Facts, there are 52 districts with an enrollment of 200 students or fewer. The Lewis and Clark School District has a lower average per pupil cost than 49 of them. There are 42 districts with an enrollment of 390 or greater including Lewis and Clark. LCSD ranks 34th with an average per pupil cost of \$13,630. The 33 districts in front of LCSD have an average per pupil cost of \$11,524. So even though we are extremely efficient when compared to districts with 200 or fewer students per building (**like us**), we still cannot be as efficient as districts with all students located in the same community and/or building (**not like us**, but how we are funded).

The problem stems from a couple things:

- 1) the distance between the district's remaining K-12 schools in Berthold and Plaza
- 2) and one component of the state funding formula called the "School District Size Weighting Factor"

The legislature has acknowledged that "smaller school districts do not benefit from the [same] economies of scale [as] larger school districts". District size weighting factors exist to account for this inefficiency and ensure small and large districts are funded at a level that leads to an adequate and equitable education for all students. So basically, if you are a small district, you are less efficient. Here's one example: if a

school has a 7-12 of 150 students with 25 in each class this school can probably get by with a single social studies teacher. However, another school with a 7-12 of 90 students and 15 per grade would also need a single social studies teacher. There are many examples of this type of efficiency gap when comparing costs in large and small school districts.

Let's look at a few examples of districts with different "School District Weighting Size Factors". According to the enrollments from the 2022 version of Finance Facts, Thompson, Surrey, Hillsboro, Mayport CG, Lewis and Clark and Rugby all have enrollments between 400-600 and therefore are assigned a district size weighting factor of 1.02. This is based on a district's assumed ability to operate efficiently based on its number of students. Thompson is the most efficient school in the state with an average cost of per student of \$9,058. But with an enrollment to area ratio of 6-1 it makes sense. All of their students are in a single facility, they don't have to maintain multiple plants, transportation costs are going to be low because they don't have to bus students great distances, and their staff to student ratio is going to create the efficiencies I mentioned earlier with the social studies example.

I'm not going to speculate on what accounts for the differences in the average cost per student between the other schools, but I know Lewis and Clark's ability to get lower is going to be impacted by our inability to share basic offerings like math, socials studies, and kindergarten between our schools. We need to maintain those individual teachers in our buildings and we can't share them without severely degrading the educational experience of our kids. It's possible that we could create an elementary in Berthold and a high school in Plaza and bus kids 2+ hours in the morning and 2+ hours in the afternoon. In that scenario we could get by with a single social studies or grade level teacher, but we shouldn't have to do that. School District Weighting Size Factors are designed to ensure all students in North Dakota have access to an equitable education. In that scenario our kids would not have access to an equitable and adequate education.

The districts circled in yellow on this second map are a lot more like Lewis and Clark. Underwood, Turtle Lake, Mott-Regent, and Elgin-New Leipzig. Let's look more closely at Underwood and Turtle Lake. They are 14 miles apart. If they were to consolidate their enrollment would be 388 and their area would be 730 square miles. Even though they are likely to become more efficient and save the taxpayers money by consolidating, they shouldn't do it because they would lose a significant amount of state aid - \$934,324.85.

Their district size weighting factor would be 1.04 instead of 1.25 and 1.28 respectively and the money they saved by consolidating would not make up for the money lost due to the change in weighting factor. It's the same story for Mott-Regent and Elgin-New Leipzig. If they consolidated, the new district would receive \$829,768.22 less than if they remained separate. And Mott and Elgin are *only* 24 miles apart. I say *only* because if you remember, Berthold and Plaza and 30 miles apart.

Lewis and Clark ranks 83rd out of 147 school districts in average per student cost. Surrey is 123 out of 147 and spends almost exactly \$2000 per student less than us despite have almost the same enrollment. To get to their level, Lewis and Clark would have to cut \$800,000 out of our budget. The idea that these two districts should reach the same level of efficiency because they happen to have the same enrollment doesn't add up.

The formation of the Lewis and Clark School District should be a success story. Three school districts consolidate because of a state incentive, they reduce costs, become more efficient, and save money. If SB 2328 isn't passed, LCSD, TGU, North Border, Hope Page, and others like us will be a cautionary tale rather than an exemplar. Passage SB 2328 encourages future consolidation even if the resulting district maintains more than one facility. In the long run, this saves money for North Dakota taxpayers because smaller schools can be more efficient when they are consolidated under a single district umbrella. It also keeps these same schools open, which is so important to the health and vitality of rural North Dakota communities.

I will now stand for questions.

Chairman Sorvaag and members of the Senate Appropriations Committee,

Thank you for allowing me to come and speak with you today. I am Jacob Jenkins, the principal of Berthold Public School. We are one of two K-12 schools in the Lewis & Clark School District. As you know, we are here today to speak about Senate Bill 2328 and the provision to weigh students differently if their district K-12 schools are 14 miles or greater apart. Before I talk about this, though, I would like to give you a snapshot of a day in the lives of our students.

At Berthold Elementary, each grade level only has one teacher. This means every fifth grader, for example, is taught by Mrs. White. Mrs. Neubauer teaches all of our third graders. In the high school, every student that takes English is taught by Mrs. Taylor. Mrs. Roland teaches all of the social studies courses. And Mr. Hochhalter teaches all of the science classes. Everyone in the school receives music education from Mrs. Helfrich. I'm telling you this so that you can understand how things work at Berthold. They work the same at North Shore Plaza. We operate as small, rural school operate.

This is distinctly different from most of the other school districts that have the same number of students as we do. Look at South Prairie or Rugby, for example. They have several teachers in the elementary for each grade. In the high school, they have several English or Science teachers. I'm not here to complain about what another school has that we don't, I merely want to highlight that our situation is different than that of the other similarly sized school districts. We operate as individual schools, not as singular entities in the school district.

We strive to be fiscally responsible with the funding that we receive and use it in the best way possible for our students and community. We have had to make a few significant cuts in staffing already in the past few years. For example, we no longer have a librarian or a Family Consumer Science teacher. I fear what a million dollar decrease in funding would do to our school. I fear that we will not be able to maintain. I fear that we will have to cut the limited programs that we are able to offer. I fear that teachers and staff will leave us and new ones will not want to come to us because we will not be able to offer them anything like the other schools can. Most of all, I fear for what this means for our student's education and the potential impact upon our small communities.

We all lived through COVID and watched as students struggled en masse to cope with online learning. You know, as well as I do, that having a live, in the classroom teacher has a greater affect upon the learning of our children. Right now, we rely upon ITV and online independent study courses to supplement our high school student's education. In Berthold, we're fortunate to have a teacher for Agriculture classes and a teacher for business and

computing. We share an art teacher between Berthold and North Shore Plaza. If our funding were to be cut, these are the positions that would be in danger and our students would be looking at having to take almost all of their elective classes through ITV or online classes. This is not an ideal situation and does not offer them an acceptable and equitable education.

My hope today is that you will see the unique situation you are in and help us to provide an equitable education for all students in the Lewis & Clark School district and in very few districts that face a similar situation by moving this bill forward..

Thank you for considering this bill and for caring for the students and staff of North Dakota's educational system. I thank you for your time and would be happy to answer any questions that you may have.

SB 2328 - Relating to Weighting Factors for Rural Schools

Chairman Elkin and Members of the Senate Education Committee,

My name is Ian Grande and I am blessed to have the opportunity to serve as the Superintendent and Secondary Principal of the Hope-Page School District. I am here in support of Senate Bill 2328. The Hope-Page School District is slated to see its state funding drop by 39% or \$1,458,599 from 2020-2021 to 2027-2028 - despite a small increase in the number of students the district serves. Assuming that the per pupil payment increased annually by an average of 1%, it would take 49 years (2069) for the Hope-Page School District's funding to exceed the 2020 funding level.

The situation becomes even more ominous when we consider the current inflationary environment we find ourselves in. Costs are likely going to be substantially higher in 2028 than they were in 2020 due to high inflation. Compounding the problem further is a shortage in labor. While the shortage of teachers in rural North Dakota is not a new phenomenon, the problem appears to be getting even worse in recent years. During the previous hiring cycle, the Hope-Page School District received zero applicants from North America for an open science position - two applicants eventually emerged from the Philippines.

Senate Bill 2328 offers a way to help schools like Hope-Page get onto the funding formula in a sustainable way. It is important to note that even if both proposals are passed as written and there is an annual increase of 1% to the funding formula, it will still take until 2031-2032 for Hope-Page's funding to return to the level it was at in 2020-2021. It will take a significant commitment and sacrifice from the school district and taxpayers to bridge that gap but there would be a framework in place for the school district to continue providing the best possible education for the students in our school district.

Senate Bill 2328 features two amendments to Century Code. Amendment #1 broadens the classification of isolated school districts to include districts that serve fewer than 200 students but have a landmass larger than 400 square miles. Amendment #2 would allow school districts

with multiple plants that are at least 14 miles apart to receive an independent weighting factor for each plant. Amendment #1 acknowledges the additional costs of operating a large land mass district with low population density while also helping school districts transition onto the funding formula in a sustainable way. Amendment #2 acknowledges the additional costs of operating two plants in separate communities that are at least 14 miles apart. It also removes a disincentive for smaller school districts to get creative with consolidation. Lastly, amendment #2 acknowledges that persistent inflation has caused a large spike in construction costs, making this an extremely poor time to pass a bond referendum for an addition to one of the plants.

Collectively, 24 of the 25 school districts (96%) that are positively affected by this legislation are slated to see their funding drop from 2020 through 2028 due to a loss in transition minimum funding. In 2027-2028, this group will see a drop in funding of \$13,691,107 when compared to 2020-2021. This would equate to an \$27,382,214 drop in funding for the biennium. Viewed from the opposite lens, the state of North Dakota is slated to realize a \$27,382,214 savings each biennium from these 25 schools due to the funding decrease. This is significant for two reasons. First, the fiscal note from this bill is covered by the reduction in funding that this group is slated to experience. Second, the groups collective funding will still be lower in 2027-2028 than it was in 2020-2021 even if the bill is passed exactly as it is written.

My primary motivation for coming here today is to advocate for the students in the Hope-Page School District and the communities that make up our district. My wife and I are proud parents of three young boys ages 5, 2, and 3 months. I am confident that our school district provides a high quality education to all of our students and Senate Bill 2328 would give us an opportunity to continue doing that.

I urge you to vote YES on SB 2328 and I am happy to answer any questions that you may have.

LEWIS & CLARK #161

Senate Appropriations Testimony

2/6/23

IN FAVOR – SB 2328



IN FAVOR

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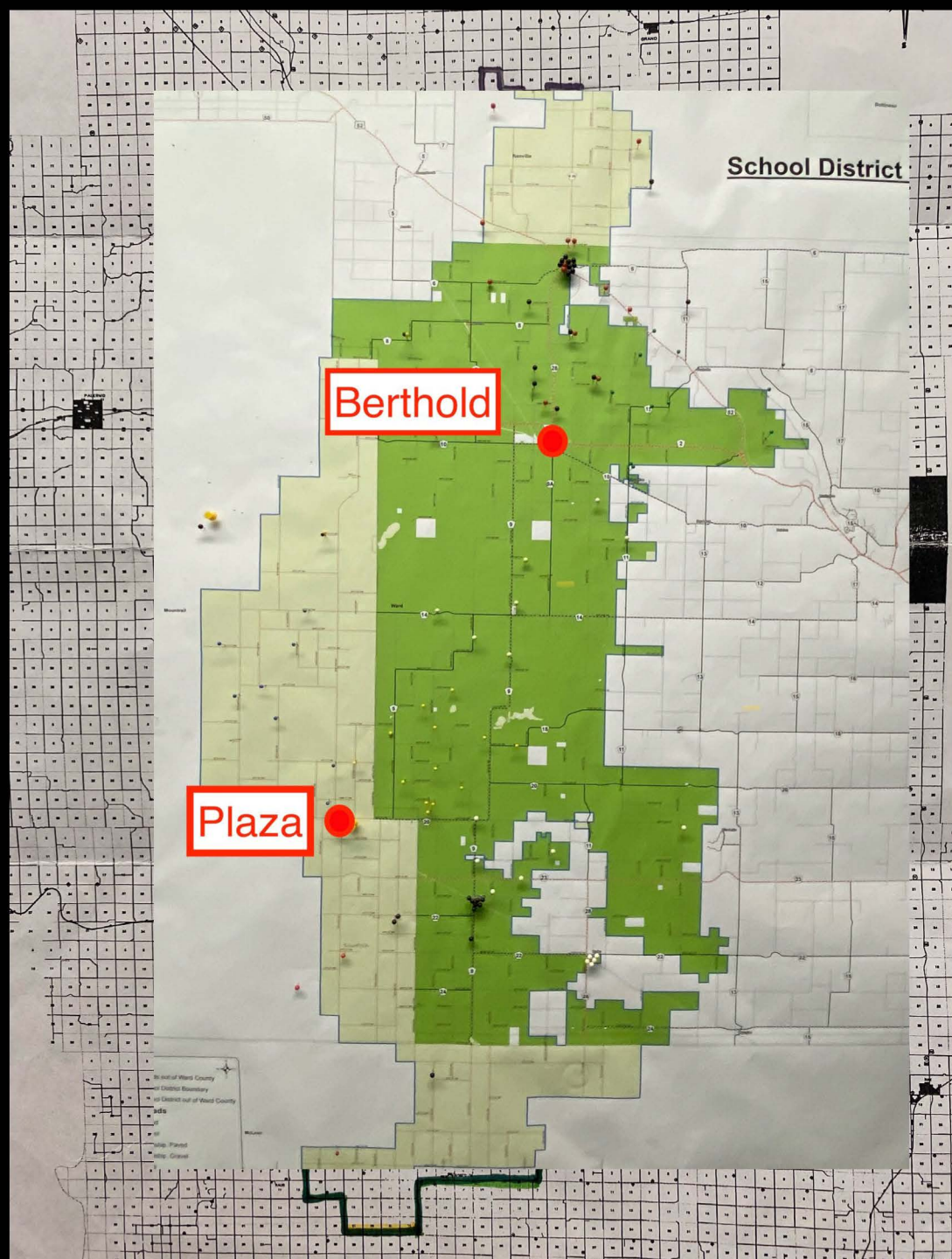
SB 2328

Drake 57

Velva 1

Anamoose 14

Max 50



1 Ft. Yates	27 Midway
2 St. Thomas	28 Elgin-New Leipzig
3 Edmore	29 Leeds
4 Fordville-Lankin	30 Grenora
5 Zeeland	31 Westhope
6 Finley-Sharon	32 Midkota
7 Munich	33 Scranton
8 Hope-Page	34 Montpelier
9 Bowbells	35 Hebron
10 Newburg-United	36 Rollette
11 Kensal	37 HMB
12 Selfridge	38 Maddock
13 Starkweather	39 Fairmount
14 Wing	40 Ashley
15 Sarent Central	41 Lakota
16 Ft. Totten	42 Turle Lake
17 Drake	43 Max
18 Gackle-Streeter	44 Fessenden
19 Burke Central	45 Lidgerwood
20 Solen	46 Central Valley
21 Litchville-Marion	47 Pingree-Buchanon
22 Drayton	48 Hatton
23 Valley-Edinburg	49 Strasburg
24 McClusky	50 Lewis and Clark
25 Kulm	51 Medina
26 Glen Ullin	52 White Shield

1 Belcourt	23 Bottineau
2 New Town	24 Valley City
3 Tioga	25 Mandan
4 St. John	26 Surrey
5 Dunseith	27 Nedrose
6 Fargo	28 Cavalier
7 Dickinson	29 Mayport CG
8 Killdeer	30 Grafton
9 McKenzie County	31 Beulah
10 Lewis and Clark	32 United
11 Devils Lake	33 Lisbon
12 Rugby	34 South Prairie
13 Grand Forks	35 Carrington
14 Minot	36 Hillsboro
15 Bowman Co	37 Hazen
16 Velva	38 Northern Cass
17 Stanley	39 Park River
18 Jamestown	40 Central Cass
19 West Fargo	41 Oakes
20 Williston	42 Kindred
21 Bismarck	43 Thompson
22 Wahpeton	



26

TGU 60

Surrey 41

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ose 4

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Drake 57

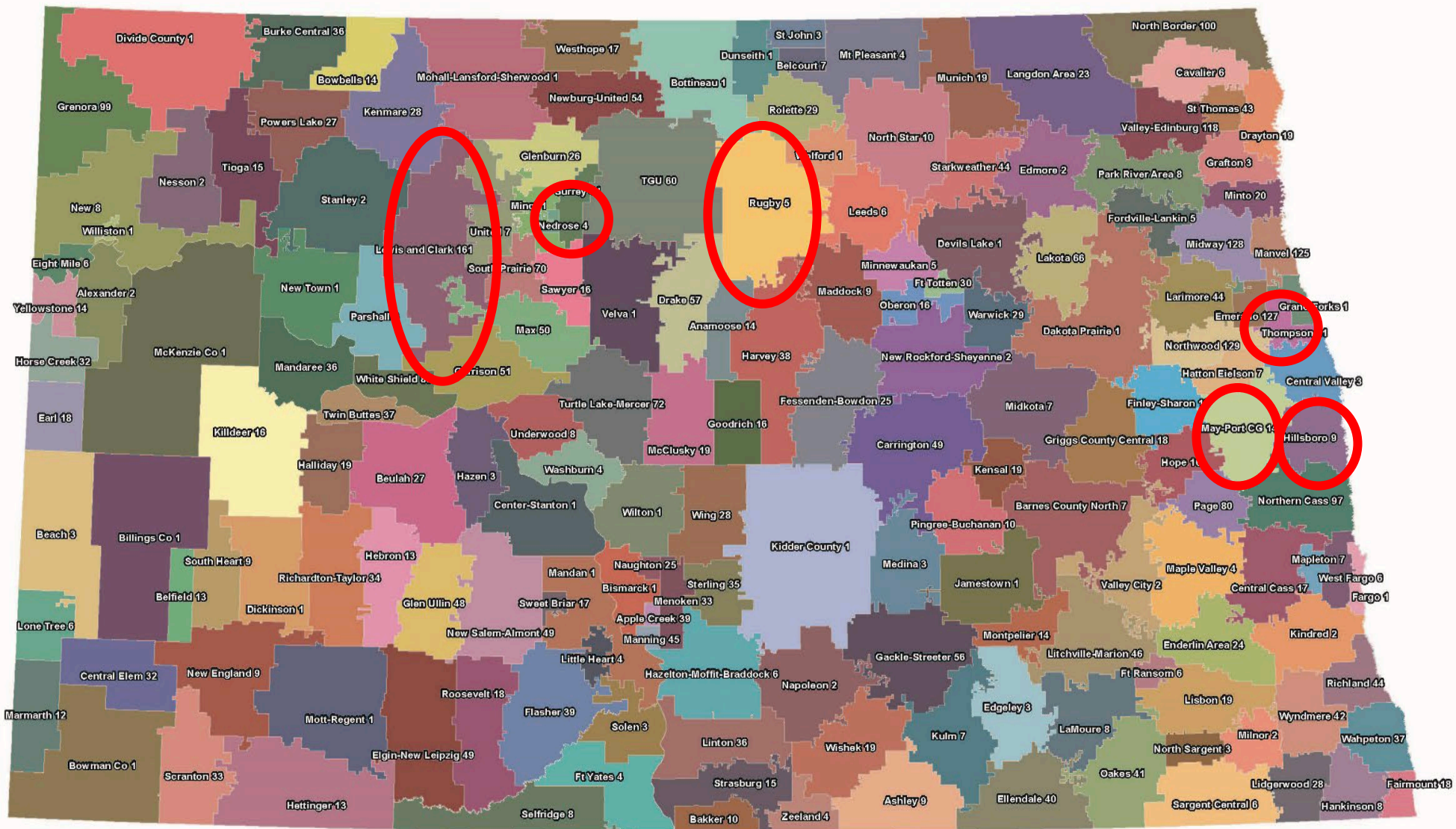
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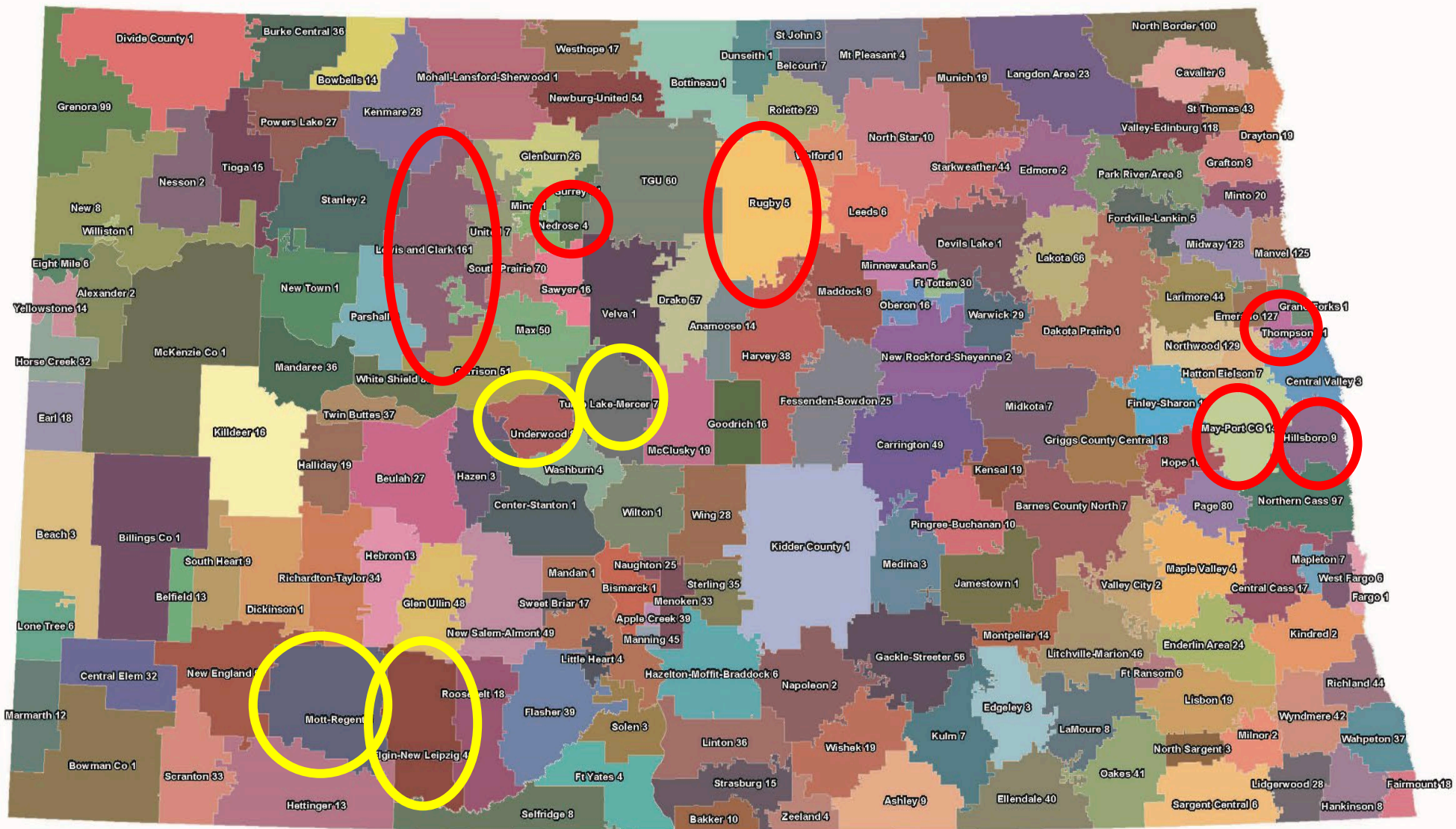
North Dakota School Districts 2016



DISTRICT SIZE WEIGHTING FACTORS

DISTRICT	SIZE FACTOR	ENROLLMENT	SQ. MILES	AVG. COST PER STUDENT
Thompson	1.02	631	117	\$9,058
Surrey	1.02	414	129	\$11,464
Hillsboro	1.02	500	278	\$10,779
Mayport CG	1.02	478	444	\$11,304
Lewis & Clark	1.02	409	864	\$13,630
Rugby	1.02	586	937	\$13,398

North Dakota School Districts 2016



RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

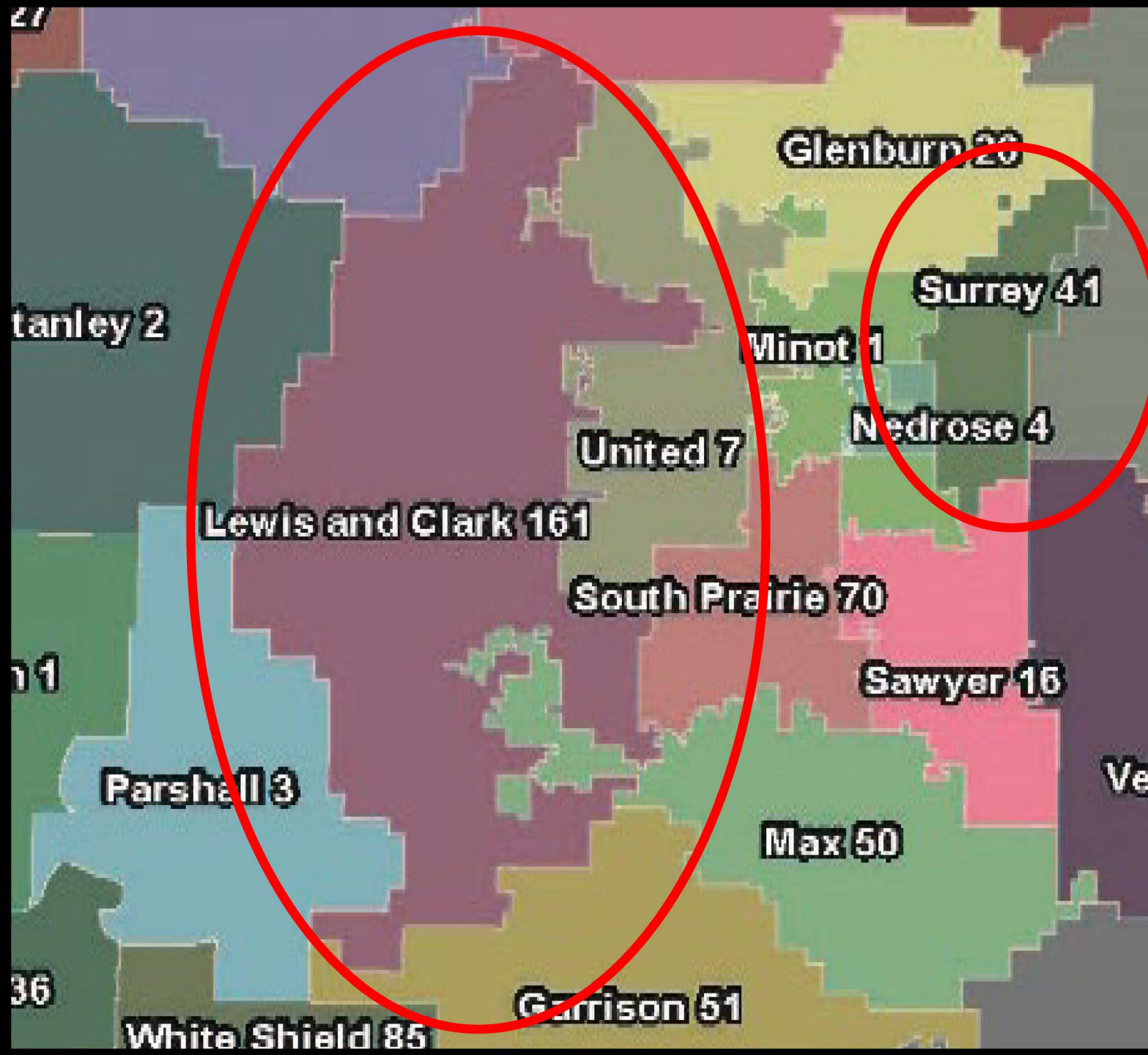
RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST	RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
1	43	004	Ft Yates 4	100	43,880	35	53	099	Grenora 99	174	17,710
2	34	043	St Thomas 43	34	40,491	36	40	007	Belcourt 7	1,530	17,436
3	36	002	Edmore 2	32	37,228	37	31	001	New Town 1	946	17,348
4	50	005	Fordville-Lankin 5	36	34,822	38	05	017	Westhope 17	136	17,236
5	26	004	Zeeland 4	34	31,113	39	20	007	Midkota 7	162	17,097
6	27	036	Mandaree 36	208	26,124	40	53	015	Tioga 15	436	16,906
7	46	019	Finley-Sharon 19	84	25,966	41	06	033	Scranton 33	126	16,847
8	10	019	Munich 19	82	25,465	42	40	003	St John 3	428	16,603
9	09	085	Hope-Page 85	156	24,943	43	47	014	Montpelier 14	98	16,513
10	07	014	Bowbells 14	69	24,000	44	38	026	Glenburn 26	230	16,353
11	05	054	Newburg-United 54	78	23,633	45	41	002	Milnor 2	213	16,258
12	47	019	Kensal 19	29	23,408	46	30	013	Hebron 13	151	16,243
13	43	008	Selfridge 8	96	22,638	47	40	029	Rolette 29	152	16,124
14	36	044	Starkweather 44	58	22,496	48	40	001	Dunseith 1	568	16,102
15	03	029	Warwick 29	222	22,139	49	32	001	Dakota Prairie 1	283	15,953
16	08	028	Wing 28	70	21,864	50	15	006	Hazelton-Moffit-Braddock 6	131	15,839
17	41	006	Sargent Central 6	157	21,541	51	07	027	Powers Lake 27	206	15,813
18	03	030	Ft Totten 30	176	21,408	52	40	004	Mt Pleasant 4	257	15,675
19	25	057	Drake 57	73	20,684	53	17	003	Beach 3	266	15,533
20	03	005	Minnewaukan 5	230	20,613	54	03	009	Maddock 9	130	15,529
21	24	056	Gackle-Streeter 56	93	20,561	55	33	001	Center-Stanton 1	237	15,506
22	07	036	Burke Central 36	99	20,006	56	39	018	Fairmount 18	109	15,472
23	43	003	Solen 3	200	19,661	57	26	009	Ashley 9	139	15,436
24	02	046	Litchville-Marion 46	126	19,587	58	09	004	Maple Valley 4	210	15,307
25	34	019	Drayton 19	160	19,285	59	32	066	Lakota 66	158	15,292
26	34	118	Valley-Edinburg 118	162	19,257	60	12	001	Divide County 1	387	15,056
27	42	019	McClusky 19	88	19,183	61	25	060	TGU 60	335	14,965
28	34	100	North Border 100	292	19,008	62	28	072	Turtle Lake-Mercer 72	177	14,863
29	23	007	Kulm 7	119	18,719	63	41	003	North Sargent 3	209	14,813
30	30	048	Glen Ullin 48	137	18,669	64	28	050	Max 50	175	14,675
31	18	128	Midway 128	163	18,575	65	52	025	Fessenden-Bowdon 25	168	14,615
32	31	003	Parshall 3	272	18,414	66	15	036	Linton 36	243	14,584
33	19	049	Elgin-New Leipzig 49	157	18,077	67	09	001	Fargo 1	11,476	14,491
34	03	006	Leeds 6	115	17,971	68	26	019	Wishek 19	213	14,405

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
69	01	013	Hettinger 13	265	14,359
70	39	028	Lidgerwood 28	185	14,346
71	49	003	Central Valley 3	188	14,328
72	45	001	Dickinson 1	3,700	14,326
73	51	028	Kenmare 28	298	14,272
74	47	010	Pingree-Buchanan 10	142	14,155
75	24	002	Napoleon 2	226	13,962
76	13	016	Killdeer 16	558	13,918
77	28	051	Garrison 51	389	13,827
78	49	007	Hatton Eielson 7	186	13,822
79	28	008	Underwood 8	210	13,771
80	27	001	McKenzie Co 1	1,733	13,690
81	15	015	Strasburg 15	127	13,665
82	53	006	Eight Mile 6	311	13,652
83	51	161	Lewis and Clark 161	409	13,630
84	27	002	Alexander 2	247	13,562
85	36	001	Devils Lake 1	1,644	13,555
86	37	024	Enderlin Area 24	301	13,510
87	20	018	Griggs County Central 18	252	13,499
88	23	008	LaMoure 8	263	13,481
89	38	001	Mohall-Lansford-Sherwood 1	303	13,462
90	45	013	Belfield 13	239	13,450
91	35	005	Rugby 5	586	13,398
92	22	001	Kidder County 1	347	13,396
93	21	001	Mott-Regent 1	211	13,378
94	39	008	Hankinson 8	259	13,350
95	18	001	Grand Forks 1	7,675	13,312
96	53	002	Nesson 2	374	13,312
97	23	003	Edgeley 3	230	13,166
98	51	001	Minot 1	7,663	13,116
99	10	023	Langdon Area 23	385	13,105
100	52	038	Harvey 38	367	13,100
101	45	009	South Heart 9	369	12,870
102	39	044	Richland 44	265	12,780
103	47	003	Medina 3	188	12,754
104	06	001	Bowman Co 1	525	12,749
105	02	007	Barnes County North 7	242	12,707
106	45	034	Richardton-Taylor 34	317	12,694
107	50	020	Minto 20	261	12,515
108	25	001	Velva 1	449	12,347
109	30	049	New Salem-Almont 49	353	12,297
110	31	002	Stanley 2	707	12,198
111	21	009	New England 9	280	12,120

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
112	47	001	Jamestown 1	2,232	12,114
113	09	006	West Fargo 6	11,814	12,112
114	11	040	Ellendale 40	306	12,044
115	53	001	Williston 1	4,189	12,029
116	08	001	Bismarck 1	13,800	12,016
117	39	037	Wahpeton 37	1,215	12,010
118	05	001	Bottineau 1	683	11,999
119	39	042	Wyndmere 42	265	11,992
120	28	004	Washburn 4	332	11,964
121	02	002	Valley City 2	1,061	11,781
122	30	001	Mandan 1	4,193	11,731
123	51	041	Surrey 41	414	11,644
124	51	004	Nedrose 4	560	11,586
125	18	044	Larimore 44	377	11,465
126	48	010	North Star 10	300	11,463
127	30	039	Flasher 39	252	11,441
128	34	006	Cavalier 6	420	11,433
129	49	014	May-Port CG 14	478	11,304
130	28	001	Wilton 1	277	11,258
131	18	129	Northwood 129	327	11,234
132	14	002	New Rockford-Sheyenne 2	308	11,177
133	50	003	Grafton 3	874	11,148
134	29	027	Beulah 27	714	11,140
135	51	007	United 7	654	11,019
136	37	019	Lisbon 19	637	10,986
137	51	070	South Prairie 70	486	10,910
138	16	049	Carrington 49	515	10,807
139	49	009	Hillsboro 9	482	10,779
140	29	003	Hazen 3	563	10,507
141	09	097	Northern Cass 97	637	10,502
142	50	008	Park River Area 8	417	10,498
143	09	017	Central Cass 17	951	10,317
144	11	041	Oakes 41	503	10,105
145	09	002	Kindred 2	813	10,093
146	28	085	White Shield 85	165	9,673
147	18	061	Thompson 61	605	9,058



Introduced by

Senators Wanzek, Erbele, Klein

Representatives Headland, Vigesaa, Weisz

SB 2328

1 A BILL for an Act to amend and reenact subsection 4 of section 15.1-27-03.2 of the North
2 Dakota Century Code, relating to weighting factors for rural schools.

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

4 **SECTION 1. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 4. The school district size weighting factor determined under this section and multiplied
7 by a school district's weighted average daily membership equals the district's weighted
8 student units. For the ~~2022-23 school year~~, for school districts that operate multiple
9 kindergarten through grade twelve buildings at least ~~nineteenfourteen~~ miles
10 [~~30.5822.53~~ kilometers] apart, or multiple buildings at least ~~nineteenfourteen~~ miles
11 [~~30.5822.53~~ kilometers] apart with no replicated grades, the superintendent of public
12 instruction shall determine the school size weighting factor for each building
13 separately, with no adjustment for elementary schools. The superintendent of public
14 instruction shall multiply the school size weighting factor for each building by the
15 school district's weighted average daily membership to determine each building's
16 weighted student units. The superintendent of public instruction shall combine the
17 weighted student units of all buildings in the school district to determine the school
18 district's weighted student units.

by a school district's weighted average daily membership equals the district's weighted student units. For the ~~2022-23 school year~~, for school districts that operate multiple kindergarten through grade twelve buildings at least ~~nineteenfourteen~~ miles [~~30.5822.53~~ kilometers] apart, or multiple buildings at least ~~nineteenfourteen~~ miles [~~30.5822.53~~ kilometers] apart with no replicated grades, the superintendent of public instruction shall determine the school size weighting factor for each building separately, with no adjustment for elementary schools. The superintendent of public instruction shall multiply the school size weighting factor for each building by the

LEWIS & CLARK SCHOOL DISTRICT #161

Lewis & Clark—Berthold
Berthold Elem. and High School
P.O. Box 185
Berthold, ND 58718
453-3484

Berthold, North Shore Plaza Schools
Marc Ritteman, Superintendent
401 4th Avenue NE
Berthold, ND 58718

Lewis & Clark—North Shore Plaza
NSP Elem. And High School
P.O. Box 38
Plaza, ND 58771
497-3734

3/14/23

Chairman Heinert and Members of the House Education Committee,

For the record my name is Marc Ritteman. I am the superintendent of the Lewis and Clark School District which is located northwestern ND, just a little west of Minot. The district is made up of two K-12 schools located 30 miles apart: One in Berthold and one in Plaza. Each school has an enrollment of about 200 students.

I am here today to speak in favor of Senate Bill 2328. This bill is not only good for our district, but also a step in the right direction for all North Dakota districts looking to become more efficient. The current funding formula disincentivizes consolidation. If this formula existed twenty years ago, the Lewis and Clark School District would NOT have been formed despite the possible cost savings.

In 2003, three school districts, North Shore, Berthold, and Plaza consolidated to form the Lewis and Clark School District. This type of consolidation was incentivized by the state at the time. Interestingly, part of the pitch was eliminating multiple administrative positions. So twenty years ago, LCSD did voluntarily what HB 1251 is trying to do by force today.

There were initially four school buildings in the District.

- An elementary in Ryder
- An elementary in Plaza
- A high school in Makoti
- And a K-12 in Berthold

Over the years, the schools in Ryder and Makoti were closed and a high school was added to the building in Plaza. The consolidation enabled the district to reduce costs through the sharing of resources and staff.

As I mentioned earlier, each of our schools has an enrollment of about 200. According the most recent version of DPI's Finance Facts, there are 52 districts with an enrollment of 200 students or fewer. The Lewis and Clark School District has a lower average per pupil cost than 49 of them. There are 42 districts with an enrollment of 390 or greater including Lewis and Clark. LCSD ranks 34th with an average per pupil cost of \$13,630. The 33 districts in front of LCSD have an average per pupil cost of \$11,524. So even though we are extremely efficient when compared to districts with 200 or fewer students per building (**like us**), we still cannot be as efficient as districts with all students located in the same community and/or building (**not like us**, but how we are funded).

The problem stems from a couple things:

- 1) the distance between the district's remaining K-12 schools in Berthold and Plaza
- 2) and one component of the state funding formula called the "School District Size Weighting Factor"

The legislature has acknowledged that "smaller school districts do not benefit from the [same] economies of scale [as] larger school districts". District size weighting factors exist to account for this inefficiency and ensure small and large districts are funded at a level that leads to an adequate and equitable education for all students. So basically, if you are a small district, you are less efficient. Here's one example: if a

school has a 7-12 of 150 students with 25 in each class this school can probably get by with a single social studies teacher. However, another school with a 7-12 of 90 students and 15 per grade would also need a single social studies teacher. There are many examples of this type of efficiency gap when comparing costs in large and small school districts.

Let's look at a few examples of districts with different "School District Weighting Size Factors". According to the enrollments from the 2022 version of Finance Facts, Thompson, Surrey, Hillsboro, Mayport CG, Lewis and Clark and Rugby all have enrollments between 400-600 and therefore are assigned a district size weighting factor of 1.02. This is based on a district's assumed ability to operate efficiently based on its number of students. Thompson is the most efficient school in the state with an average cost of per student of \$9,058. But with an enrollment to area ratio of 6-1 it makes sense. All of their students are in a single facility, they don't have to maintain multiple plants, transportation costs are going to be low because they don't have to bus students great distances, and their staff to student ratio is going to create the efficiencies I mentioned earlier with the social studies example.

I'm not going to speculate on what accounts for the differences in the average cost per student between the other schools, but I know Lewis and Clark's ability to get lower is going to be impacted by our inability to share basic offerings like math, socials studies, and kindergarten between our schools. We need to maintain those individual teachers in our buildings and we can't share them without severely degrading the educational experience of our kids. It's possible that we could create an elementary in Berthold and a high school in Plaza and bus kids 2+ hours in the morning and 2+ hours in the afternoon. In that scenario we could get by with a single social studies or grade level teacher, but we shouldn't have to do that. School District Weighting Size Factors are designed to ensure all students in North Dakota have access to an equitable education. In that scenario our kids would not have access to an equitable and adequate education.

The districts circled in yellow on this second map are a lot more like Lewis and Clark. Underwood, Turtle Lake, Mott-Regent, and Elgin-New Leipzig. Let's look more closely at Underwood and Turtle Lake. They are 14 miles apart. If they were to consolidate their enrollment would be 388 and their area would be 730 square miles. Even though they are likely to become more efficient and save the taxpayers money by consolidating, they shouldn't do it because they would lose a significant amount of state aid - \$934,324.85.

Their district size weighting factor would be 1.04 instead of 1.25 and 1.28 respectively and the money they saved by consolidating would not make up for the money lost due to the change in weighting factor. It's the same story for Mott-Regent and Elgin-New Leipzig. If they consolidated, the new district would receive \$829,768.22 less than if they remained separate. And Mott and Elgin are *only* 24 miles apart. I say *only* because if you remember, Berthold and Plaza and 30 miles apart.

Lewis and Clark ranks 83rd out of 147 school districts in average per student cost. Surrey is 123 out of 147 and spends almost exactly \$2000 per student less than us despite have almost the same enrollment. To get to their level, Lewis and Clark would have to cut \$800,000 out of our budget. The idea that these two districts should reach the same level of efficiency because they happen to have the same enrollment doesn't add up.

The formation of the Lewis and Clark School District should be a success story. Three school districts consolidate because of a state incentive, they reduce costs, become more efficient, and save money. If SB 2328 isn't passed, LCSD, TGU, North Border, Hope Page, and others like us will be a cautionary tale rather than an exemplar. Passage SB 2328 encourages future consolidation even if the resulting district maintains more than one facility. In the long run, this saves money for North Dakota taxpayers because smaller schools can be more efficient when they are consolidated under a single district umbrella. It also keeps these same schools open, which is so important to the health and vitality of rural North Dakota communities.

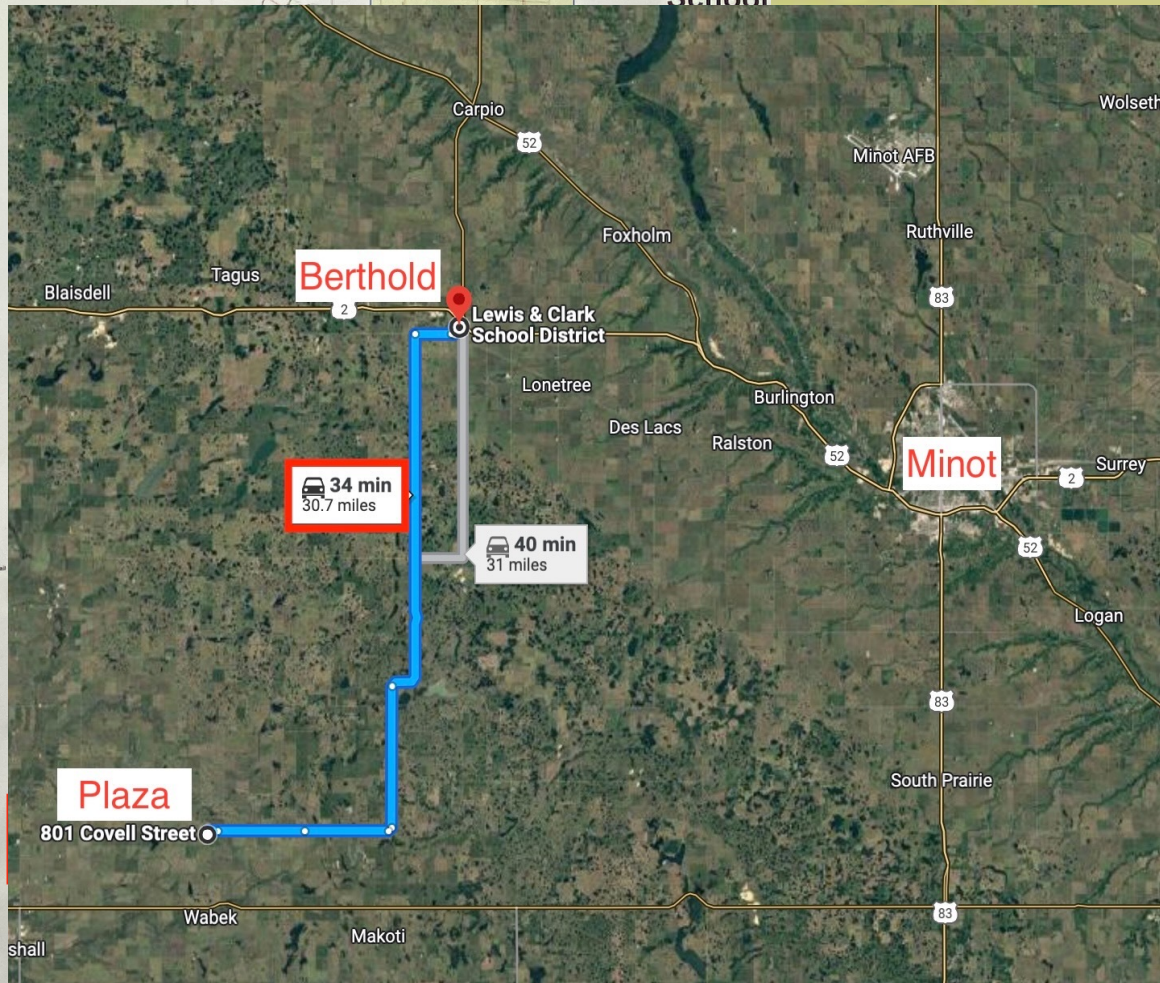
I will now stand for questions.

LEWIS & CLARK #161

Senate Appropriations Testimony

2/6/23

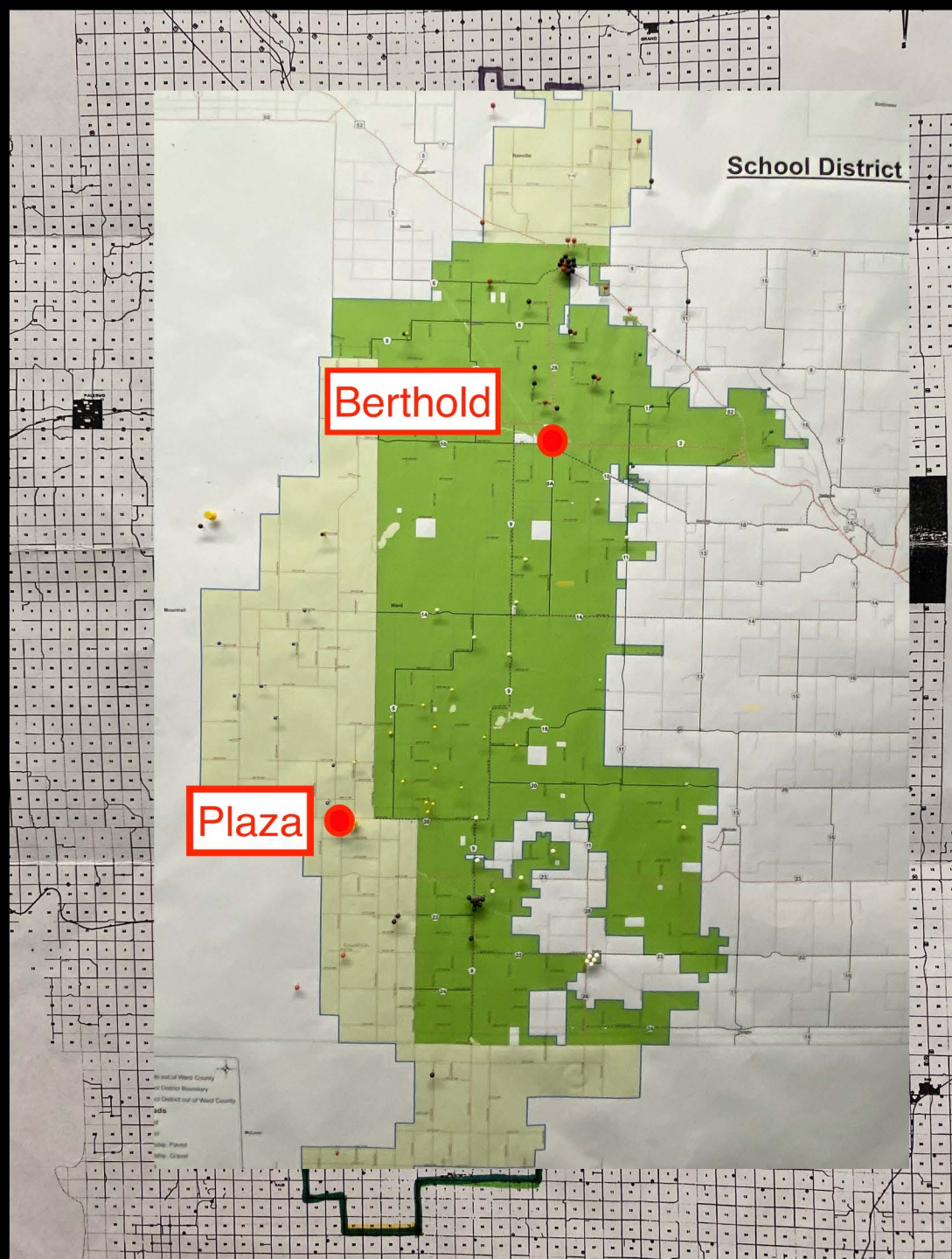
IN FAVOR – SB 2328



IN FAVOR

of

SB 2328



1 Ft. Yates	27 Midway
2 St. Thomas	28 Elgin-New Leipzig
3 Edmore	29 Leeds
4 Fordville-Lankin	30 Grenora
5 Zeeland	31 Westhope
6 Finley-Sharon	32 Midkota
7 Munich	33 Scranton
8 Hope-Page	34 Montpelier
9 Bowbells	35 Hebron
10 Newburg-United	36 Rollette
11 Kensal	37 HMB
12 Selfridge	38 Maddock
13 Starkweather	39 Fairmount
14 Wing	40 Ashley
15 Sarent Central	41 Lakota
16 Ft. Totten	42 Turle Lake
17 Drake	43 Max
18 Gackle-Streeter	44 Fessenden
19 Burke Central	45 Lidgerwood
20 Solen	46 Central Valley
21 Litchville-Marion	47 Pingree-Buchanon
22 Drayton	48 Hatton
23 Valley-Edinburg	49 Strasburg
24 McClusky	50 Lewis and Clark
25 Kulm	51 Medina
26 Glen Ullin	52 White Shield

1 Belcourt	23 Bottineau
2 New Town	24 Valley City
3 Tioga	25 Mandan
4 St. John	26 Surrey
5 Dunseith	27 Nedrose
6 Fargo	28 Cavalier
7 Dickinson	29 Mayport CG
8 Killdeer	30 Grafton
9 McKenzie County	31 Beulah
10 Lewis and Clark	32 United
11 Devils Lake	33 Lisbon
12 Rugby	34 South Prairie
13 Grand Forks	35 Carrington
14 Minot	36 Hillsboro
15 Bowman Co	37 Hazen
16 Velva	38 Northern Cass
17 Stanley	39 Park River
18 Jamestown	40 Central Cass
19 West Fargo	41 Oakes
20 Williston	42 Kindred
21 Bismarck	43 Thompson
22 Wahpeton	



n 26

TGU 60

Surrey 41

Rug

ose 4

yer 16

Drake 57

Velva 1

Anamoose 14

Max 50

Harv

DISTRICT SIZE WEIGHTING FACTORS

DISTRICT	SIZE FACTOR	ENROLLMENT	SQ. MILES	AVG. COST PER STUDENT
Thompson	1.02	631	117	\$9,058
Surrey	1.02	414	129	\$11,464
Hillsboro	1.02	500	278	\$10,779
Mayport CG	1.02	478	444	\$11,304
Lewis & Clark	1.02	409	864	\$13,630
Rugby	1.02	586	937	\$13,398

DISTRICT	ADM	Weighted ADM	SIZE FACTOR	TWSU	Per Student Rate	Formula Payment	
Mott-Regent	208.76	240.2	1.25	297.85	\$ 10,237.00	\$ 3,049,090.45	
Elgin-New Leipzig	157.88	174.86	1.34	227.32	\$ 10,237.00	\$ 2,327,074.84	
						\$ 5,376,165.29	
TOGETHER	366.64	415.06	1.07	444.1142	\$ 10,237.00	\$ 4,546,397.07	
						\$ 829,768.22	LESS
DISTANCE BETWEEN ELGIN AND MOTT				24 Miles			
DISTRICT	ADM	Weighted ADM	SIZE FACTOR	TWSU	Per Student Rate	Formula Payment	
Underwood	209.18	232.14	1.25	290.175	\$ 10,237.00	\$ 2,970,521.48	
Turtle Lake	177.24	193.25	1.28	243.5	\$ 10,237.00	\$ 2,492,709.50	
						\$ 5,439,429.95	
TOGETHER	386.42	425.39	1.04	442.4056	\$ 10,237.00	\$ 4,528,906.13	
						\$ 934,324.85	LESS
DISTANCE BETWEEN UNDERWOOD and TURTLE LAKE				14 Miles			

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

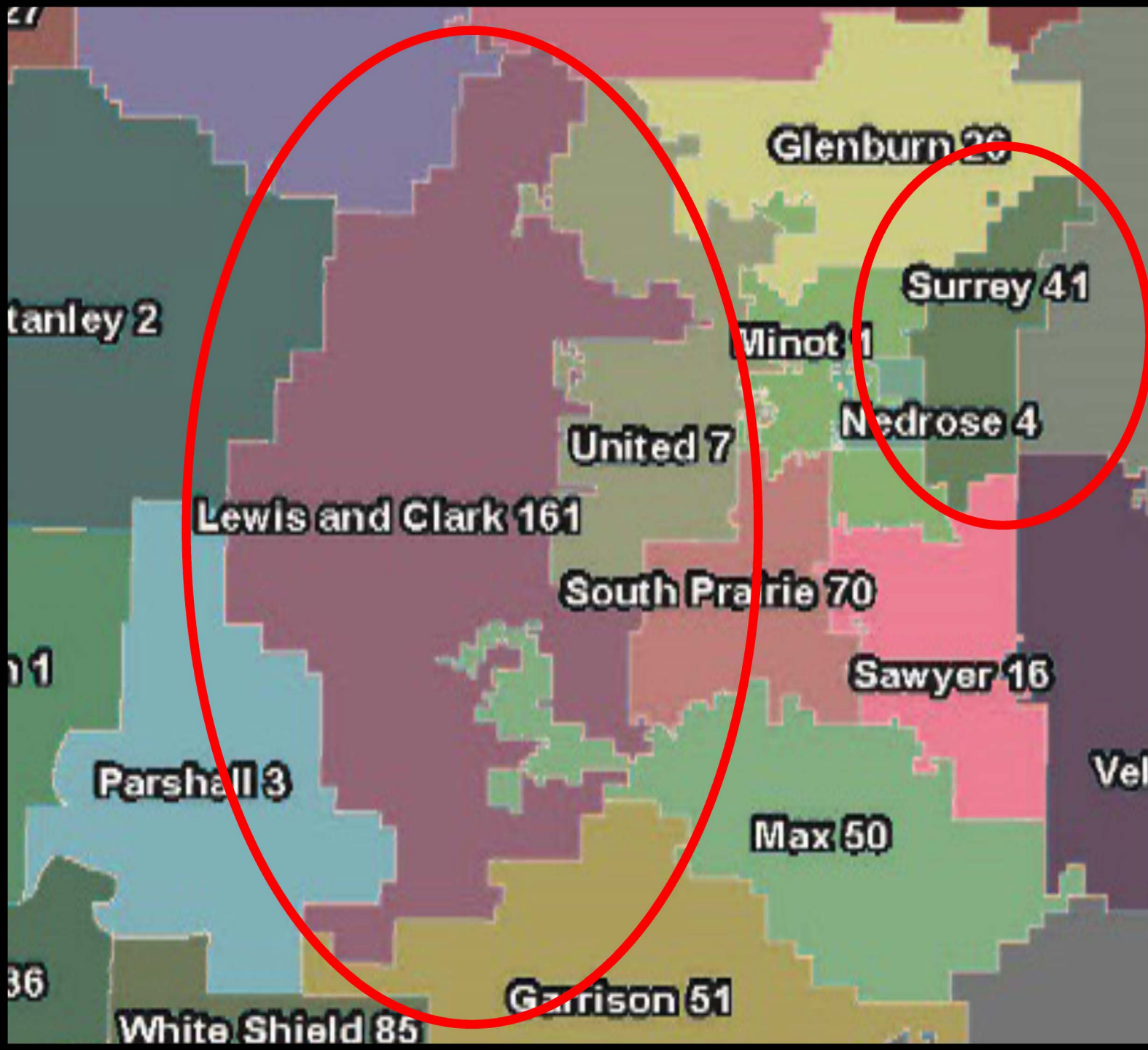
RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST	RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
1	43	004	Ft Yates 4	100	43,880	35	53	099	Grenora 99	174	17,710
2	34	043	St Thomas 43	34	40,491	36	40	007	Belcourt 7	1,530	17,436
3	36	002	Edmore 2	32	37,228	37	31	001	New Town 1	946	17,348
4	50	005	Fordville-Lankin 5	36	34,822	38	05	017	Westhope 17	136	17,236
5	26	004	Zeeland 4	34	31,113	39	20	007	Midkota 7	162	17,097
6	27	036	Mandaree 36	208	26,124	40	53	015	Tioga 15	436	16,906
7	46	019	Finley-Sharon 19	84	25,966	41	06	033	Scranton 33	126	16,847
8	10	019	Munich 19	82	25,465	42	40	003	St John 3	428	16,603
9	09	085	Hope-Page 85	156	24,943	43	47	014	Montpelier 14	98	16,513
10	07	014	Bowbells 14	69	24,000	44	38	026	Glenburn 26	230	16,353
11	05	054	Newburg-United 54	78	23,633	45	41	002	Milnor 2	213	16,258
12	47	019	Kensal 19	29	23,408	46	30	013	Hebron 13	151	16,243
13	43	008	Selfridge 8	96	22,638	47	40	029	Rolette 29	152	16,124
14	36	044	Starkweather 44	58	22,496	48	40	001	Dunseith 1	568	16,102
15	03	029	Warwick 29	222	22,139	49	32	001	Dakota Prairie 1	283	15,953
16	08	028	Wing 28	70	21,864	50	15	006	Hazelton-Moffit-Braddock 6	131	15,839
17	41	006	Sargent Central 6	157	21,541	51	07	027	Powers Lake 27	206	15,813
18	03	030	Ft Totten 30	176	21,408	52	40	004	Mt Pleasant 4	257	15,675
19	25	057	Drake 57	73	20,684	53	17	003	Beach 3	266	15,533
20	03	005	Minnewaukan 5	230	20,613	54	03	009	Maddock 9	130	15,529
21	24	056	Gackle-Streeter 56	93	20,561	55	33	001	Center-Stanton 1	237	15,506
22	07	036	Burke Central 36	99	20,006	56	39	018	Fairmount 18	109	15,472
23	43	003	Solen 3	200	19,661	57	26	009	Ashley 9	139	15,436
24	02	046	Litchville-Marion 46	126	19,587	58	09	004	Maple Valley 4	210	15,307
25	34	019	Drayton 19	160	19,285	59	32	066	Lakota 66	158	15,292
26	34	118	Valley-Edinburg 118	162	19,257	60	12	001	Divide County 1	387	15,056
27	42	019	McClusky 19	88	19,183	61	25	060	TGU 60	335	14,965
28	34	100	North Border 100	292	19,008	62	28	072	Turtle Lake-Mercer 72	177	14,863
29	23	007	Kulm 7	119	18,719	63	41	003	North Sargent 3	209	14,813
30	30	048	Glen Ullin 48	137	18,669	64	28	050	Max 50	175	14,675
31	18	128	Midway 128	163	18,575	65	52	025	Fessenden-Bowdon 25	168	14,615
32	31	003	Parshall 3	272	18,414	66	15	036	Linton 36	243	14,584
33	19	049	Elgin-New Leipzig 49	157	18,077	67	09	001	Fargo 1	11,476	14,491
34	05	006	Leeds 6	115	17,971	68	26	019	Wishek 19	213	14,405

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
69	01	013	Hettinger 13	265	14,359
70	39	028	Lidgerwood 28	185	14,346
71	49	003	Central Valley 3	188	14,328
72	45	001	Dickinson 1	3,700	14,326
73	51	028	Kenmare 28	298	14,272
74	47	010	Pingree-Buchanan 10	142	14,155
75	24	002	Napoleon 2	226	13,962
76	13	016	Killdeer 16	558	13,918
77	28	051	Garrison 51	389	13,827
78	49	007	Hatton Eielson 7	186	13,822
79	28	008	Underwood 8	210	13,771
80	27	001	McKenzie Co 1	1,733	13,690
81	15	015	Strasburg 15	127	13,665
82	53	006	Eight Mile 6	311	13,652
83	51	161	Lewis and Clark 161	409	13,630
84	27	002	Alexander 2	247	13,562
85	36	001	Devils Lake 1	1,644	13,555
86	37	024	Enderlin Area 24	301	13,510
87	20	018	Griggs County Central 18	252	13,499
88	23	008	LaMoure 8	263	13,481
89	38	001	Mohall-Lansford-Sherwood 1	303	13,462
90	45	013	Belfield 13	239	13,450
91	35	005	Rugby 5	586	13,398
92	22	001	Kidder County 1	347	13,396
93	21	001	Mott-Regent 1	211	13,378
94	39	008	Hankinson 8	259	13,350
95	18	001	Grand Forks 1	7,675	13,312
96	53	002	Nesson 2	374	13,312
97	23	003	Edgeley 3	230	13,166
98	51	001	Minot 1	7,663	13,116
99	10	023	Langdon Area 23	385	13,105
100	52	038	Harvey 38	367	13,100
101	45	009	South Heart 9	369	12,870
102	39	044	Richland 44	265	12,780
103	47	003	Medina 3	188	12,754
104	06	001	Bowman Co 1	525	12,749
105	02	007	Barnes County North 7	242	12,707
106	45	034	Richardton-Taylor 34	317	12,694
107	50	020	Minto 20	261	12,515
108	25	001	Velva 1	449	12,347
109	30	049	New Salem-Almont 49	353	12,297
110	31	002	Stanley 2	707	12,198
111	21	009	New England 9	280	12,120

RANK ORDER OF HIGH SCHOOL DISTRICTS
BY 2020-2021 AVERAGE COST PER PUPIL

RANK	COUNTY NUMBER	DISTRICT NUMBER	DISTRICT NAME	AVERAGE DAILY MEMBERSHIP	AVERAGE COST
112	47	001	Jamestown 1	2,232	12,114
113	09	006	West Fargo 6	11,814	12,112
114	11	040	Ellendale 40	306	12,044
115	53	001	Williston 1	4,189	12,029
116	08	001	Bismarck 1	13,800	12,016
117	39	037	Wahpeton 37	1,215	12,010
118	05	001	Bottineau 1	683	11,999
119	39	042	Wyndmere 42	265	11,992
120	28	004	Washburn 4	332	11,964
121	02	002	Valley City 2	1,061	11,781
122	30	001	Mandan 1	4,193	11,731
123	51	041	Surrey 41	414	11,644
124	51	004	Nedrose 4	560	11,586
125	18	044	Larimore 44	377	11,465
126	48	010	North Star 10	300	11,463
127	30	039	Flasher 39	252	11,441
128	34	006	Cavalier 6	420	11,433
129	49	014	May-Port CG 14	478	11,304
130	28	001	Wilton 1	277	11,258
131	18	129	Northwood 129	327	11,234
132	14	002	New Rockford-Sheyenne 2	308	11,177
133	50	003	Grafton 3	874	11,148
134	29	027	Beulah 27	714	11,140
135	51	007	United 7	654	11,019
136	37	019	Lisbon 19	637	10,986
137	51	070	South Prairie 70	486	10,910
138	16	049	Carrington 49	515	10,807
139	49	009	Hillsboro 9	482	10,779
140	29	003	Hazen 3	563	10,507
141	09	097	Northern Cass 97	637	10,502
142	50	008	Park River Area 8	417	10,498
143	09	017	Central Cass 17	951	10,317
144	11	041	Oakes 41	503	10,105
145	09	002	Kindred 2	813	10,093
146	28	085	White Shield 85	165	9,673
147	18	061	Thompson 61	605	9,058



Introduced by

Senators Wanzek, Erbele, Klein

Representatives Headland, Vigesaa, Weisz

SB 2328

1 A BILL for an Act to amend and reenact subsection 4 of section 15.1-27-03.2 of the North
2 Dakota Century Code, relating to weighting factors for rural schools.

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

4 **SECTION 1. AMENDMENT.** Subsection 4 of section 15.1-27-03.2 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 4. The school district size weighting factor determined under this section and multiplied
7 by a school district's weighted average daily membership equals the district's weighted
8 student units. For the ~~2022-23 school year~~, for school districts that operate multiple
9 kindergarten through grade twelve buildings at least ~~nineteenfourteen~~ miles
10 [~~30.5822.53~~ kilometers] apart, or multiple buildings at least ~~nineteenfourteen~~ miles
11 [~~30.5822.53~~ kilometers] apart with no replicated grades, the superintendent of public
12 instruction shall determine the school size weighting factor for each building
13 separately, with no adjustment for elementary schools. The superintendent of public
14 instruction shall multiply the school size weighting factor for each building by the
15 school district's weighted average daily membership to determine each building's
16 weighted student units. The superintendent of public instruction shall combine the
17 weighted student units of all buildings in the school district to determine the school
18 district's weighted student units.

by a school district's weighted average daily membership equals the district's weighted student units. For the ~~2022-23 school year~~, for school districts that operate multiple kindergarten through grade twelve buildings at least ~~nineteenfourteen~~ miles [~~30.5822.53~~ kilometers] apart, or multiple buildings at least ~~nineteenfourteen~~ miles [~~30.5822.53~~ kilometers] apart with no replicated grades, the superintendent of public instruction shall determine the school size weighting factor for each building separately, with no adjustment for elementary schools. The superintendent of public instruction shall multiply the school size weighting factor for each building by the

SB 2328 - Relating to Weighting Factors for Rural Schools

03/15/2023

Chairman Heinert and Members of the House,

My name is Seth Engelstad and I am the superintendent of the North Border School District. I am here today in support of Senate Bill 2328. This is my first year as a superintendent and my first year working for the North Border School District. I have been in the education field for 22 years and have been blessed to work with so many wonderful communities, students, and co-workers. I have seen our schools take on many roles, and responsibilities over the years. Education has seen some major hardships and this year is no exception.

Senate Bill 2328 will provide North Border with some much-needed funding to help soften the blow from our current revenue loss from being a transition minimum school. Each year until we are on the funding formula, we will see a 15% drop in revenue. So far, we have had to absorb just over \$600,000 and by 2028 we will have to take on an additional 1.4 million dollar deduction in funding. This loss represents around a 1/3 of our budget.

The North Border School district was originally made up of three districts, Walhalla, Neche, and Pembina. The three districts became one in 2005, and the Neche school was closed in 2016. The Walhalla and Pembina schools are 35 miles apart and our district covers 546 square miles. We have worked very hard to be fiscally responsible and consolidate to better serve our students and community. Without bill 2328 there is no chance for North Border to operate both plants effectively.

Even if Senate Bill 2328 passes, North Border will continue to see a drop in revenue over the next 5 years and our district will not see the funding we currently have for many years to come. I urge you to vote for this bill and stand by districts like ours who have consolidated, been fiscally responsible, and promote what's best for our students and stakeholders.

Thank you for your time and consideration. We greatly appreciate your support and understanding. I would be happy to address any questions that you may have.

Seth Engelstad

Chairman Heinert and members of the Senate Appropriations Committee,

Thank you for allowing me to come and speak with you today. I am Jacob Jenkins, the principal of Berthold Public School. We are one of two K-12 schools in the Lewis & Clark School District. As you know, we are here today to speak about Senate Bill 2328 and the provision to weigh students differently if their district K-12 schools are 14 miles or greater apart. Before I talk about this, though, I would like to give you an idea of how classes work in our school.

At Berthold Elementary, each grade level only has one teacher. This means every fifth grader, for example, is taught by Mrs. White. Mrs. Neubauer teaches all of our third graders. In the high school, every student takes English from Mrs. Taylor. Mrs. Roland teaches all of the social studies courses. And Mr. Hochhalter teaches all of the science classes. Everyone in the school receives music education from Mrs. Helfrich. I'm telling you this so that you can understand how things work at Berthold. They work the same at North Shore Plaza. We operate as small, rural schools operate.

This is distinctly different from most of the other school districts that have the same number of students as we do. Look at South Prairie or Rugby, for example. They have several teachers in the elementary for each grade. In the high school, they have several English or Science teachers. I'm not here to complain about what another school has that we don't, I merely want to highlight that our situation is different than that of the other similarly sized school districts. We operate as individual schools, not as singular entities in the school district.

We strive to be fiscally responsible with the funding that we receive and use it in the best way possible for our students and community. We have had to make a few significant cuts in staffing already in the past few years. For example, we no longer have a librarian or a Family Consumer Science teacher. If this bill does not pass and our weighting factor is considered the same as a district in which all teachers and students are within the same building, I fear what this million dollar decrease in funding would do to our school. I fear that we will not be able to maintain. I fear that we will have to cut the limited programs that we are able to offer. I fear that teachers and staff will leave us, and new ones will not want to come to us because we will not be able to offer them anything like the other schools can. Most of all, I fear for what this means for our student's education and the potential impact upon our small communities.

We all lived through COVID and watched as students struggled to cope with online learning. You know, as well as I do, that having a live, in the classroom teacher has a greater affect upon the learning of our children. Right now, we rely upon ITV and online independent study courses to supplement our high school student's education. In Berthold, we're fortunate to have a teacher for Agriculture classes and a teacher for business and computing. We share an art teacher between Berthold and North Shore Plaza. If this bill does not pass, these are the positions that would be in danger and our students would be looking at having to take almost all of their elective classes through ITV or online classes.

This is not an ideal situation and does not offer them an acceptable and equitable education.

My hope today is that you will see the unique situation our school is in and that you will help us to provide an equitable education for all students in the Lewis & Clark School District and in very few districts that face a similar situation by moving this bill forward.

Thank you for considering this bill and for caring for the students and staff of North Dakota's educational system. I thank you for your time and would be happy to answer any questions that you may have.

Testimony in support of SB 2328

Ian Grande
Superintendent/Secondary Principal
Hope-Page School District

Chairman Heinert and Members of the House Education Committee,

My name is Ian Grande and I am blessed to be the Superintendent and Secondary Principal in the Hope-Page School District. I am here in support of Senate Bill 2328. Our school district proudly educates 165 students from Pre-K-12, our district is located in four separate counties with a total land mass of 465 square miles. The school district operates an elementary building in Page and middle school/high school building in Hope - just under 15 miles apart. There were previously six operating school districts within the current footprint of the Hope-Page School District.

I recall vividly the horror stories from administrators and teachers when they had to operate with the same level of funding for three years when there was no increase to the per-pupil payment a handful of years ago. I believed every single administrator and teacher when they told the stories about how stressful it was during those three years. I got a very strong sense from listening to teachers, administrators, and legislators as those three years went on that nobody ever wanted to go back to that again. In my opinion, everyone was completely justified in their reaction. Trying to operate a school district with the same level of funding for three years as costs continue to rise would be an incredibly difficult task.

If Senate bill 2328 doesn't pass, the Hope-Page School District would be slated to receive 25% less funding in 2038 than it did in 2020 this actually assumes a 1% annual increase to the per pupil payment and a slight increase in the number of students in the district. With those same assumptions, it would take 49 years (until 2069) for Hope-Page's funding level to eclipse the 2020 funding level. Effectively, Hope-Page would need to go without an increase in funding for nearly five decades.

The Hope-Page School District is slated to see its state funding drop by 39% or \$1,458,599 (or \$2,917,198 per biennium) in the year 2027-2028 when compared to 2020-2021 - despite a small increase in the number of students that the district serves. The situation becomes even more ominous when we consider the current inflationary environment we find ourselves in. Costs are likely going to be substantially higher in 2028 than they were in 2020 due to high inflation. Compounding the problem further is a shortage in labor. While the shortage of teachers in rural North Dakota is not a new phenomenon, the problem appears to be getting even worse in recent years. During the previous hiring cycle, the Hope-Page School District received zero applicants from North America for an open science position - two applicants eventually emerged from the Philippines.

Senate Bill 2328 was designed as a way to help schools like Hope-Page get onto the funding formula in a sustainable way. It is important to note that if Senate Bill 2328 were to pass it would still take a significant commitment and sacrifice from the school district and taxpayers to bridge

that gap but this would be a step in the right direction for the Hope-Page School District to continue providing the best possible education for the students in our school district.

Senate Bill 2328 currently features a single amendment to the Century Code. The adjustment would allow school districts with multiple K-12 school buildings or multiple buildings with non-duplicated grades that are at least 14 miles apart to count their plants independently when calculating their weighting factor. This adjustment acknowledges the additional cost of operating two plants in separate communities that are at least 14 miles apart. Currently, there is a disincentive in place for rural remote school districts to explore consolidation - this adjustment to century code would help to reduce that disincentive. Lastly, this adjustment acknowledges that persistent inflation has caused a large spike in construction costs, making this an extremely poor time to pass a bond referendum for an addition to one of the buildings. The reception to the remaining section in SB 2328 has been very positive in the hundreds of conversations I have had both inside and outside of the legislature. Senate Bill 2328 passed the Senate unanimously (47-0) after receiving an extremely positive recommendation from both the Education Committee and Appropriation Committee.

All six schools that would be positively affected by this bill in its current form are slated to see their funding drop precipitously between 2020-2021 to 2027-2028 due to a loss in transition minimum funding. Collectively, this group of six schools is slated to experience a cumulative reduction in funding during that seven-year stretch of \$28,124,006 when compared to what their funding would have been if they simply maintained their 2020-2021 funding level - Hope-Page alone is slated to see a cumulative loss in funding of \$6,053,185 during that same time frame. When this is flipped around and viewed from the opposite direction the state will see a savings of \$28,124,006 during that seven-year time period. Every biennium going forward after 2027-2028, the state of North Dakota will realize an additional \$13,553,738 in savings when compared to the 2020-2021 funding level. This is significant for two reasons. First, the fiscal note from this bill is covered by the reduction in funding that this group is slated to experience - with plenty of room to spare. Second, the group's collective funding will still be lower in 2027-2028 than it was in 2020-2021 even if the bill is passed exactly as it is written.

My primary motivation for coming here today is to advocate for the students in the Hope-Page School District and the communities that make up our district. My wife and I are proud parents of three young boys ages 5, 2, and 5 months. Our school district provides high-quality education to all of our students and Senate Bill 2328 would be a step in the right direction for us to continue doing that.

Before I close I want to leave you with one final note:

The Hope-Page School District is similar to most districts in that approximately 75% of the budget is labor, with the overwhelming majority of that being non-administrative labor after the combination of the superintendent and secondary principal positions. The other 25% of the budget is made up mainly of transportation, maintenance, curriculum and operating costs to keep the lights on. One of my favorite policy inclusions last biennium was a provision that required 70% of the per pupil payment increase to go toward non-administrative staff salary increases. This group absolutely deserves to be treated well and financially supporting them was and is a

fantastic idea. A similar idea has been proposed this session and it is getting strong support once again, which is awesome- those employees absolutely deserve financial support.

However, this creates a unique scenario that is actually a bit of a paradox. Everyone admits that inflation has pushed transportation, maintenance, and operating costs up significantly, this in turn makes it difficult, if not impossible, to make significant cuts to the non-labor portion of the budget. In addition, the school district is mandated to increase salaries for non-administrative personnel (which I fully support) - making it virtually impossible to cut the labor portion of the budget. At the same time, the school district is slated to have \$1,458,599 less in funding in 2027-2028 than it did in 2020.

This was the reality that our school district faced over the past two years. Sharp increase in non-labor costs due to inflation. Higher labor costs as a result of the mandate to increase non-administrative wages (which I fully support). And a substantial drop in funding while we saw a slight increase in the number of students we educate.

As we look towards the next biennium, not a whole lot has changed, inflation is still a major issue, and all indications suggest that the legislature and governor's office are once again stepping up to help our non-administrative staff by mandating a much needed and well-deserved pay increase to help combat skyrocketing inflation. The only thing that has changed is our funding will be \$720,000 lower in 2023-2024 and \$950,000/year lower in 2024-2025.

I pride myself on being a very optimistic person, but to be frank, there is no way to make this math work without intervention. SB 2328 is a much needed step in the right direction and I am committed to working with the legislature as we move forward. We ask for a do pass recommendation on SB 2328.



TGU TOWNER SCHOOL
302 2ND ST SE
TOWNER, ND 58788
(701)537-5414

PO BOX 270
TOWNER, ND 58788
(701)537-5413 (FAX)
(701)5375414

TGU GRANVILLE SCHOOL
210 6TH ST SW
GRANVILLE, ND 58745
(701)728-6641

March 15, 2023

Chairman Heinert and members of the House Education Committee,

My name is Erik Sweet, and I am Superintendent of the TGU School District. Thank you for your service to our great state, and for the opportunity to provide my testimony today. I am here to express my support for SB 2328.

Over twenty years ago, the communities of Towner, Granville, and Upham consolidated to form the TGU School District. The motivation for this decision was an effort to be fiscally conservative, and dramatically reduce the mills collected on local stakeholders. That hard work was rewarded, and the district was able to create a significant amount of savings for the local tax base.

Eventually a change was made to the state aid which eliminated the incentive for creating a consolidated district in the first place. This change came in the form of a student based funding formula. This new formula also included a weighting factor to provide equity for smaller schools. While the new formula was a positive for taxpayers statewide, it had an unfortunate impact for consolidated districts. Because consolidation boosted the district enrollment numbers, any savings created by the reduction of administration cost or the utilization of shared resources was far outweighed by the lower per pupil weighting factor. For that reason, only three districts had gone through the consolidation process by 2020.

Today, TGU operates two K-12 facilities for our students; one in Towner, the other in Granville. These two sites are located 23 miles apart and have an enrollment of 340 students in the district. We have worked hard to create a single community out of our small towns and a district landmass of over 1000 square miles. SB 2328 would aid both the students and stakeholders of the TGU school district by reinstating the benefits of our consolidation twenty years ago. More importantly, however, I believe that this bill would provide those same benefits to small districts across our state. Communities and schools with low or declining enrollments could once again utilize consolidation as a viable tool to keep their schools open and their small towns thriving.

Thank you for your time and consideration.

Erik Sweet
Superintendent
TGU School District

March 7, 2023

Erin M Sunday
44 Steele Ave / PO Box 32
Hope, North Dakota. 58046

District #29

Chairman Heinert and members of the House Education Committee,

I write to you today in support of Senate Bill 2328 which will greatly assist the Hope-Page School District and rural North Dakota education. I cannot tell you how important the Hope-Page School District is to our community. Not only to them but to my daughter and me. The one-on-one approach to learning, positive reinforcement and dedication of her teachers is astounding. The opportunities she has been provided in this school personally has been life changing. From not only the staff that takes her best interests to heart, but the community that shows up from miles away and in every direction to show their support, whether it is a sporting event, school concert or club activity. This is reciprocated by the students volunteering their own time for community sponsored events. In these rural school districts education is not the only tools they take away. The sense of community is the base for how well developed many of the kids become as they transition to adulthood.

Thank you for supporting these kids and their dreams as they are the future of North Dakota.

We cannot forget the small communities that help build this country. They are just as important as every other district and deserve every opportunity they can get.

Thank you again for your support.

Erin Maxine Sunday

Erin M. Sunday

3/3/2023

Chairman Heinert and members of the House Education Committee,

My family is writing you today to show our support of Senate Bill 2328. My family has been a part of the Hope and Page communities for 5 generations. We support the communities in many ways, but our drive to support these communities stems from the education system that we have been fortunate to be a part of in the past, as well as currently.

As a family, we have experienced other school districts, much larger than the Hope-Page school district. In 2021, we open enrolled our children, now age 8, 6, and 4, to the Hope-Page school district and am proud to say it was one of the best decisions regarding education that we have made. Since joining the Hope-Page school district, we have noticed a remarkable change in educational experiences and outcomes of our children. All our children require individual education plans for a variety of reasons- bilateral cochlear implants, visual deficits, speech impairments, and physical delays. Although our children were on IEPs at their previous school district, the Hope-Page school has provided my children with genuinely *individualized* education plans. They have not been labeled as a class of IEP students and have made tremendous strides since starting here. I strongly believe this is due to the smaller, more intricate school system and the personalized education they have been provided.

Not only is the Hope-Page school district able to focus on students with IEPs on a more detailed level, but they are different from other school districts in that they are able to be able to do this for the whole student body. This school system strives to provide education for all students at all ages and levels, from incorporating a Pre-K program to start education at a younger age to providing opportunities for dual credit courses that allows for High School students to prepare for their post high-school educations. Education is the backbone to success and school districts, like Hope-Page, that are able to meet the needs of all students on an individual basis, are essential to the success of North Dakota communities.

Without SB 2328, the Hope-Page school district is projected to lose nearly 1/3 of their budget. With a budget loss of this size, there is a high likelihood that the school district would not be able to sustain operations in the next 3-5 years. A loss of this magnitude will affect students, staff, and the community of Hope and Page, as well as other surrounding communities that are fortunate to be members of the Hope-Page school district. On a personal level, I feel that without this bill, the ability to have genuinely individualized education plans will be limited if not cease to exist, which will directly affect my children's outcomes, as well as any other students on an IEPs.

Children are not only the future of these rural communities but are the future of North Dakota. Cutting funding for rural schools will not only affect the students, staff, and communities today, but will affect the future North Dakota as a whole.

For the future of our students, of rural communities, and the future of North Dakota, your review and support of Senate Bill 2328 is greatly appreciated. Thank you for your continued commitment and dedication to North Dakota.

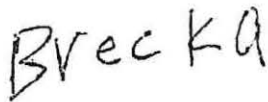


Ross and Amber Thykeson

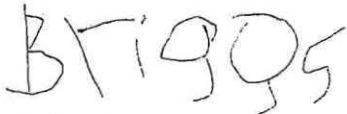
13742 3rd St. NE

Hope, ND 58046

Legislative District #29



Brecka Thykeson, age 8



Briggs Thykeson, age 6



Bella Thykeson, age 4

March 13, 2023

Mike & Amy Steinke
993 133rd Ave SE
Hope, ND 58046

Legislative District 29

Dear Chairman Heinert and members of the House Education Committee,

We strongly support Senate Bill 2328. It would greatly benefit many North Dakota school districts with the Hope-Page School District being one of them. With a lower number of students in our schools, we do face financial challenges, but still want to offer our students a variety of experiences. We feel Senate Bill 2328 will help us keep our schools open. Three of our children have graduated from Hope -Page High School and our daughter is in her Junior year there. We cannot express how thankful we are that we were able to send them to schools close by.

Our communities of Hope and Page need their schools in their towns to attract future residents and to retain the ones they have. Our communities are close knit and support our students in all of their activities. By attending a smaller school and growing up in a smaller community, our kids learn how to communicate with all ages, gain organizational skills, experience a variety of volunteer situations and learn to have a strong work ethic. Our hope is that with the help of Senate Bill 2328, we can continue educating our kids close to home and being lifelong residents of North Dakota.

Sincerely,



Mike & Amy Steinke



22nd January 2023

Chairman Elkin and Members of the Senate Education Committee,

I am writing in support of Senate Bill 2328. I am a community member, alumna and parent of the Hope-Page School District and I believe the bill is integral to the future sustainability of the Hope-Page School District and a multitude of rural districts within North Dakota.

What makes me passionate about the Hope-Page district is the commitment to personalized education and ensuring a safe learning environment while collaborating among the school, students, and communities. The bond between the school and its communities is what makes both able to thrive and prosper.

4 generations of my family have attended school in the Hope-Page School District and we take great pride in the school for offering wholesome academic experiences to students, employment opportunities to residents and social connections to individuals.

Without the bill, I fear what will become of our district. Calculations have projected that over $\frac{1}{3}$ of our budget would need to be cut—an amount that would be detrimental to school operations and the communities. What will become of districts similar to ours? What will other districts be forced to change? How will other rural communities persevere?

This legislation is essential to ensuring that rural school districts across North Dakota can remain operational and that students, staff and communities have access to the resources they desperately need to persist.

Your consideration and support of Senate Bill 2328 is highly valued. Thank you for your commitment and dedication to North Dakota, your work is appreciated.

A handwritten signature in black ink that reads "Megan Jacobsen". The signature is written in a cursive, flowing style.

Megan Jacobsen
12171 8th Street SE
Luverne, ND
Legislative District #29

3/13/2023

Chairman Heinert and members of the House Education Committee,


We are writing to show our support of Senate Bill 2328. As parents, an employee, and community members of the Hope-Page School District, we cannot stress enough the importance of this Bill and the support it will offer our family, school, and communities.

We have been open enrolled into the Hope-Page School District for four years with our children in 1st and 2nd grade, living on the northeast edge of the district. What we love about the Hope-Page School District is that it offers smaller class sizes which allows for more academic opportunities including differentiated instruction, closer relationships with staff, and less travel time compared to surrounding school districts. The Hope-Page District offers a Pre-K program, growing CTE departments, access to dual credit courses, and focuses on building relationship with students. Our district feels like family and has created an environment which allows our children to thrive. Being able to live, work, and send our children to school all within the Hope-Page community has been essential to our family.

Without the bill, our district will be forced to make drastic and potentially catastrophic changes to school operations. With the projected loss of transition aid, our school district would be forced to cut over 35% of our budget. As the Business Manager of our school district for 10 years, I can assure that our district has been and will continue to be fiscally responsible in reviewing operations while being fair to our local tax base, which is largely agricultural. However, we do not think the loss in transition aid funding would allow our school district to operate at a status that would give our students and staff the resources and support they need and deserve. References in Senate Bill 2328 would help our district overcome the unique challenges we face as a small rural school, including covering a large geographical area and operating facilities in two communities, which are 14 miles apart.

Senate Bill 2328 would not only allow our school district to remain viable, but also the Hope and Page communities. In rural North Dakota the local school is the heart of a community as it offers local access to education and resources for families as well as being a social hub for the entire area. The District is also one of the largest employers of our area employing approximately 65 full and part-time positions of which 72% are residents of our community. This legislation is essential to the people in our communities and allows employment opportunities for those who are looking to move in. Living in rural North Dakota often means more travel time for access to resources, events, jobs, and other opportunities; keeping our school district open with adequate state funding would be one less barrier for serving and expanding our communities.

Your review and support of Senate Bill 2328 is greatly appreciated. Thank you for your continued work for North Dakota.


Brandon Roller and Alli Roller, Business Manager
13569 2nd St NE Hope, ND 58046
District 29

January 21st, 2023

Esther G. Steinke
993 133rd Ave SE
Hope ND. 58046
Legislative District 29

Chairman Elkin and Members of the Senate Education Committee,

Throughout the twelve years that I have been attending the Hope-Page School, I have time and time again been taught the importance of standing up for what you believe in, and this letter is how I plan to do just that. To the Hope-Page area the schools are the heart of the town. As corporatization and budget cuts have reduced the number of rural businesses, our school is our only remaining vestige of an institutional infrastructure. I am extremely thankful that my school is close, so I do not have to drive up to fifty miles one way to the nearest school. I believe in my school and I believe that Senate Bill 2328 will help to maintain not only the high level of education we receive, but the school itself. This bill will help to ensure that future generations have the opportunity to receive the education they deserve.

Sincerely,



Esther G. Steinke

Kyle, Hannah, Henry, & Leonard Erickson

609 6th St., Page, ND 58064

Legislative District # 22

Chairman Elkin and Members of the Senate Education Committee,

I am a 4th generation resident of Page, dating back to 1898, my children Henry (5) and Leonard (3), are the 5th generation of my family to live in Page. I am writing to you in support of Senate Bill #2328.

Education facilities have always been a cornerstone of Page, and any community in our great state. Our children have the opportunity for top-notch education in our public schools. Having a school in our community is crucial for our children, and our community as well. When we have a gathering at our school, be it a game, a concert/program, or even a practice, our entire community benefits. Our gas station sees increased sales, our café sees more customers, our grocery store sees more traffic, and our bar (age permitting) sees more patrons. In addition to our local businesses benefiting, our school and school programs do as well through concessions, much of that money goes towards scholarships for our students.

The Hope-Page Elementary School is very important to me and my family on a personal level as well. My wife, Hannah, is the 5th grade teacher in Page. She is in her 7th year of teaching at the elementary school here. She is an great teacher. She is informative, caring, and compassionate with, not only her students, but all students within the entire K-12 Hope-Page school. Our school continuing to stay open and thrive is not only critically important to my family, but dozens of families in our great communities. Teachers, janitors, bus drivers, cooks, and the most important, students, all depend our schools for our rural way of life and well-being.

Thank you for your time.

Kyle, Hannah, Henry, & Leonard Erickson.



Hannah Erickson

Henry

Leonard

Nick Brendemuhl

13355 4th St SE

Hope, ND, 58046 (District 29)

Chairman Elkin and Members of the Senate Education Committee,

My name is Nick Brendemuhl and I am proud to serve on the Hope-Page School Board. I am writing in support of Senate Bill 2328. This bill will have a great impact on the students in our school district and our school district's ability to remain open. I have been involved with small school districts my entire life and the students that graduate from the Hope-Page School District are well prepared for the next phase of their life.

Continued consolidation would have a major impact on students in rural areas because they would potentially have to spend well over an hour on the bus each way. We always try to keep our students at the forefront of our policy decisions and I feel strongly that the passing of this bill would be best for the students in our school district and others that are facing a significant drop in state funding.

Sincerely,

A handwritten signature in cursive script that reads "Nick Brendemuhl".

Nick Brendemuhl

Justin Knott
12897 17th ST SE
Legislative District # 24

Chairman Elkin and Members of the Senate Education Committee,

I am writing to you as a constituent, businessperson in rural Barnes county and father of 3 children in the Hope-Page school district. Please support Senate Bill 2328 to keep rural school districts like Hope-Page viable. So we can keep hiring and attracting talent to live in rural ND.

Justin Knott

A handwritten signature in black ink, appearing to read "Justin Knott". The signature is written in a cursive, flowing style with a large initial "J" and "K".

January 22, 2023

Ben and Catherine Albert
14609 8th ST SE
Galesburg, ND 58035
Legislative District #20

Chairman Elkin and Members of the Senate Education Committee,

Thank you for your consideration of SB2328, an amendment to the weighting factors for funding rural schools. Our district is hopeful that the amendment will help solve the puzzle of how to keep quality instruction and opportunities in our school. In response to the new funding formula, my kids' school district (Hope-Page) has combined positions and has reduced online and dual credit course offerings. Our superintendent drives an activities bus after school and also coaches. Other teachers do the same. Hope-Page is already fiscally conservative.

Rural schools struggle to offer the same opportunities found in larger schools. For example, Hope-Page does not offer any in-house foreign language or advanced math classes. The business teacher position has been vacant for over a year. There is no active drama program. Hope-Page does boast strong, although small, core departments and exceptional agriculture and FACS programs.

Where should Hope-Page cut expenses? Please don't say Ag and FACS as these programs teach our kids life skills. Cutting teachers when a school only has one teacher per department doesn't make sense, and our staff is already doubling up on roles, so where can rural schools cut?

The consequences of inaction are high. If rural schools are forced to close, young families will be left with the choice of relocating or homeschooling. Fewer young families means a shortage of workers for our manufacturing facilities and fewer consumers at our grocery stores. Businesses will close. The current funding formula insufficiently funds rural schools; this lack of funds will start a chain reaction that will cripple rural North Dakota.

We appreciate every effort the Senate Education Committee expends in keeping rural schools viable, quality institutions. Thank you for considering SB2328 to improve the funding formula for rural schools.

Sincerely,



Ben Albert



Catherine Albert

Jan 21, 2023

Chairman Elkin and members of the
Senate Education Committee:

I am writing this letter today
to show my support of Senate Bill 2328

I am hoping that this bill
will keep our school in control
of our future. Our school needs to
be involved in our students
education in all the best ways
possible.

I have been involved in our school
as a bus driver for 47 years. My
children and grandchildren have attended
school here also. To me, this is
one of the best schools I could ever
have imagined for my family to attend.

Sharon Johnson
1280 13th Ave SE
Hope, N.D. 58046

Legislative District #22

Jan 21, 2023

Chairman Elkin, and members of the
Senate Education Committee:

I am writing today to let you know
that I am in support of Senate Bill 2328.
Hopefully this bill will help our
school district remain viable and in control
of our future. Our students deserve to
be educated in the best ways possible.

I have been involved with our schools
since graduating in 1965. My children and
grandchildren have also attended this school.

It has been a privilege to have been
educated & involved in this school for
the last 50+ years.

Alfred L. Johnson

1280 133rd Ave SE.
Hope, ND. 58046

Legislative District #22

		SB 2328	C2C	Annual Increase	Biennium Increase
09-085	Hope Page				
	2023-24	2,014,204	1,820,418	193,786	
	2024-25	1,951,376	1,614,373	337,002	
					530,788
32-001	Dakota Prairie				
	2023-24	3,576,287	2,803,393	772,894	
	2024-25	3,681,665	2,742,728	938,938	
					1,711,831
20-007	Midkota				
	2023-24	2,404,636	2,010,614	394,022	
	2024-25	2,468,701	1,977,633	491,069	
					885,091
34-100	North Border				
	2023-24	3,616,848	2,800,970	815,878	
	2024-25	3,162,238	2,353,832	808,406	
					1,624,284
25-060	TGU				
	2023-24	3,911,879	3,028,323	883,555	
	2024-25	3,823,034	2,877,237	945,796	
					1,829,352
51-161	Lewis and Clark				
	2023-24	3,610,174	2,697,832	912,342	
	2024-25	3,571,789	2,660,948	910,841	
					1,823,183

Total Cost

8,404,530

Remove language regarding elem adj.

		SB 2328	C2C	Annual Increase	Biennium Increase
09-085	Hope Page				
		1,828,709.71	1,820,418	8,292	
		1,712,443.94	1,614,373	98,070	
					106,362
32-001	Dakota Prairie				
		3,180,933.77	2,803,393.21	377,540.56	
		3,224,276.07	2,742,727.59	481,548.48	
					859,089
20-007	Midkota				
		2,267,255.66	2,010,614	256,642	
		2,288,735.02	1,977,633	311,102	
					567,744
34-100	North Border				
		3,616,848	2,800,970	815,878	
		3,162,238	2,353,832	808,406	
					1,624,284
25-060	TGU				
		3,911,879	3,028,323	883,555	
		3,823,034	2,877,237	945,796	
					1,829,352
51-161	Lewis and Clark				
		3,610,174	2,697,832	912,342	
		3,571,789	2,660,948	910,841	
					1,823,183

Total Cost

6,810,014

Current schools covered by 19 miles to calculate weighting factor as two separate plants

- North Border
- TGU
- Lewis and Clark
- Midkota
- Dakota Prairie

14 mile distance school added

- Hope Page
 - Did not receive consolidation incentive funds.
 - Hit hard by transition minimum and weighting factor calculated as one plant.

Additional districts operating multiple plants.

- Litchville-Marion (this is last year with two plants)
- Billings County (not dependent on state funding)
- Bowman County (Rhame) combined multiplier has little impact. (16 miles)
- Valley-Edinburg (three plants) K-3, 4-6, 7-12
- Solen/Cannonball 12 miles
- Richardton/Taylor 7 miles
- Pingree/Buchanan 10.7 miles
- Des Lacs/Burlington 7.7 miles

Districts that support a Colony Schools (Colony builds and own the plant)

- Edgeley
- Ellendale
- Enderlin
- Hillsboro
- LaMoure
- Maple Valley
- Milnor

Reasons for Study

~82 transition minimum schools, but not all are equal.

- Some are doing well.
- Some are about the same.
- ~20 hit very hard

We have seen legislation meant to encourage consolidation or sharing of services. Not always beneficial under current formula.

Some schools would be better off if they operated two separate plants based on weighting factor, Hope/Page.

Consolidation at this time especially if a new plant is needed may not be the best scenario given construction costs.

Recommendation

Support this bill and propose a study.

23.0995.02002
Title.

Prepared by the Legislative Council staff for
Representative Heinert
March 24, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2328

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; to provide for a legislative management report; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment; and

- j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors.
3. The task force may:
 - a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the the current funding formula impacts ending fund balances.
 4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - SCHOOL DISTRICT OPERATING GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,095,040, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing operating grants to school districts, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this section is to be considered one-time funding. The department of public instruction shall provide grants to school districts as follows:

<u>School District</u>	<u>Grant</u>
Hope-Page public school district	\$150,000
Dakota prairie school district	409,316
Midkota public school district	264,437
North border school district	687,145
TGU school district	809,927
Lewis and Clark public school district	<u>774,215</u>
	\$3,095,040
Renumber accordingly	

23.0995.02002

FIRST ENGROSSMENT

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2328

Introduced by

Senators Wanzek, Erbele, Klein

Representatives Headland, Vigesaa, Weisz

1 A BILL ~~for an Act to amend and reenact subsection 4 of section 15.1-27-03.2 of the North~~
2 ~~Dakota Century Code, relating to weighting factors for rural schools.~~ for an Act to create a school
3 funding task force; to provide for a legislative management report; and to provide an
4 appropriation.

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

6 **SECTION 1. AMENDMENT.** ~~Subsection 4 of section 15.1-27-03.2 of the North Dakota~~
7 ~~Century Code is amended and reenacted as follows: —~~

8 ~~————— 4. The school district size weighting factor determined under this section and~~
9 ~~multiplied by a school district's weighted average daily membership equals the~~
10 ~~district's weighted student units. For the 2022-23 school year, for school districts that~~
11 ~~operate multiple kindergarten through grade twelve buildings at least nineteen~~ ~~fourteen~~
12 ~~miles [30.5822.53 kilometers] apart, or multiple buildings at least nineteen~~ ~~fourteen~~
13 ~~miles [30.5822.53 kilometers] apart with no replicated grades, the superintendent of~~
14 ~~public instruction shall determine the school size weighting factor for each building~~
15 ~~separately, with no adjustment for elementary schools. The superintendent of public~~
16 ~~instruction shall multiply the school size weighting factor for each building by the~~
17 ~~school district's weighted average daily membership to determine each building's~~
18 ~~weighted student units. The superintendent of public instruction shall combine the~~
19 ~~weighted student units of all buildings in the school district to determine the school~~
20 ~~district's weighted student units.~~

21 **SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE**
22 **MANAGEMENT.**
23 1. During the 2023-24 interim, the legislative management shall establish and provide
24 staffing and administrative services to a school funding task force facilitated by a

- 1 nonpartisan leadership organization. The task force may include public school
2 administrators or business managers, public school teachers, five members of the
3 legislative assembly appointed by the legislative management, parents of public
4 school students, representatives from the department of public instruction, a
5 representative from the governor's office, and a representative from a regional
6 education association.
- 7 2. During the 2023-24 interim, the school funding task force shall:
- 8 a. Review litigation the state was a party to relating to school funding and the
9 resulting implications for school funding models;
- 10 b. Analyze higher education funding sources to determine whether the sources may
11 be used in whole or in part for the kindergarten through grade twelve system;
- 12 c. Review school payment formulas to determine whether education costs can be
13 equalized across the state;
- 14 d. Study the size, student population, and economics of school districts and the
15 number of facilities within the district per square mile compared with student
16 population;
- 17 e. Develop and study sliding-scale models within school districts based on size,
18 student populations, and economics;
- 19 f. Assess the negative impacts of the current funding formula;
- 20 g. Study school funding formulas used by other states;
- 21 h. Determine the benefits of and incentives to promote school district consolidation;
- 22 i. Review school transportation costs considering location, size, and student
23 enrollment; and
- 24 j. Study high-cost student and special education student costs as those costs relate
25 to the formula weighting factors.
- 26 3. The task force may:
- 27 a. Study the funding of school building maintenance and repairs considering
28 location and whether buildings are located in a rural or urban area; and
- 29 b. Review ending fund balances and analyze how the the current funding formula
30 impacts ending fund balances.

1 4. The task force shall report its findings and recommendations, together with any
2 legislation necessary to implement the recommendations, to the sixty-ninth legislative
3 assembly.

4 **SECTION 2. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - SCHOOL**

5 **DISTRICT OPERATING GRANTS - ONE-TIME FUNDING.** There is appropriated out of any
6 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of
7 \$3,095,040, or so much of the sum as may be necessary, to the department of public instruction
8 for the purpose of providing operating grants to school districts, for the biennium beginning
9 July 1, 2023, and ending June 30, 2025. The funding provided in this section is to be considered
10 one-time funding. The department of public instruction shall provide grants to school districts as
11 follows:

<u>School District</u>	<u>Grant</u>
13 Hope-Page public school district	\$150,000
14 Dakota prairie school district	409,316
15 Midkota public school district	264,437
16 North border school district	687,145
17 TGU school district	809,927
18 Lewis and Clark public school district	<u>774,215</u>
19	\$3,095,040

23.0995.02003
Title.

Prepared by the Legislative Council staff for
Representative Richter
April 10, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2328

In lieu of the amendments adopted by the House as printed on pages 1375-1377 of the House Journal, Engrossed Senate Bill No. 2380 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create a school funding task force; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. SCHOOL FUNDING TASK FORCE - REPORT TO LEGISLATIVE MANAGEMENT.

1. During the 2023-24 interim, the legislative management shall establish and provide staffing and administrative services to a school funding task force facilitated by a nonpartisan leadership organization. The task force may include public school administrators or business managers, public school teachers, five members of the legislative assembly appointed by the legislative management, parents of public school students, representatives from the department of public instruction, a representative from the governor's office, and a representative from a regional education association.
2. During the 2023-24 interim, the school funding task force shall:
 - a. Review litigation the state was a party to relating to school funding and the resulting implications for school funding models;
 - b. Analyze higher education funding sources to determine whether the sources may be used in whole or in part for the kindergarten through grade twelve system;
 - c. Review school payment formulas to determine whether education costs can be equalized across the state;
 - d. Study the size, student population, and economics of school districts and the number of facilities within the district per square mile compared with student population;
 - e. Develop and study sliding-scale models within school districts based on size, student populations, and economics;
 - f. Assess the negative impacts of the current funding formula;
 - g. Study school funding formulas used by other states;
 - h. Determine the benefits of and incentives to promote school district consolidation;
 - i. Review school transportation costs considering location, size, and student enrollment;

- j. Study high-cost student and special education student costs as those costs relate to the formula weighting factors; and
 - k. Analyze the cost of distance education, comparing the costs of different methods of instruction delivery, including synchronous as compared to asynchronous instruction.
3. The task force may:
- a. Study the funding of school building maintenance and repairs considering location and whether buildings are located in a rural or urban area; and
 - b. Review ending fund balances and analyze how the current funding formula impacts ending fund balances.
4. The task force shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

Renumber accordingly

After the first sentence in subsection 1, insert: Legislative management may add additional, temporary non-voting members to the task force, as deemed necessary by legislative management, to serve without compensation.