

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

**EDUCATION FUNDING COMMITTEE**

Friday, August 1, 2014  
Harvest Room, State Capitol  
Bismarck, North Dakota

Senator Tim Flakoll, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Tim Flakoll, Howard C. Anderson, Jr., Joan Heckaman, Richard Marcellais, Nicole Poolman, Donald Schaible; Representatives Mark A. Dosch, Jessica Haak, Patrick Hatlestad, Jerry Kelsh, Ben Koppelman, Lisa Meier, David Monson, Mike Nathe, Karen M. Rohr, David S. Rust, Mark Sanford

**Member absent:** Representative Bob Hunskor

**Others present:** Senator Ray Holmberg, member of the Legislative Management, was also in attendance. See ([Appendix A](#)) for additional persons present.

Chairman Flakoll noted that Representative John Wall, Wahpeton, passed away on Friday, July 18, 2014. He said Representative Wall had served in the House of Representatives since 2005 and had been a valued member of the interim Education Funding Committee. He said Representative Wall will be remembered as a friend, a mentor, and a truly gentle man.

Representative Nathe said that Representative Wall was an invaluable resource and that his death was a tremendous loss to the Legislative Assembly and to the people of North Dakota.

The committee observed a moment of silence in memory of Representative Wall.

**It was moved by Representative Nathe , seconded by Representative Hatlestad, and carried on a voice vote that the minutes of the June 2-3, 2014, meeting, be approved as distributed.**

**FUNDING OF K-12 EDUCATION IN NORTH DAKOTA**

Chairman Flakoll said research is still being done to determine how many dollars are available for the funding of K-12 education in North Dakota. He said, last year, there were 10,000 births in the state. He said that is over 800 more than the prior year. He said not only are we increasing the number of students through in-state births, but we are also increasing the number of students through work-related in-migration. He said it is anticipated that there will be 110,000 students during the 2014-15 school year. He said the per student payment is \$9,092, and with the addition of weighting factors, the payment per student is over \$10,000. He said the cost-to-continue will require more than \$200 million new dollars. He said it is important that we do our very best to take care of all North Dakota school students. He said all the committee members believe education is a priority. However, he said, we also need to ensure that we do not create unrealistic expectations.

Chairman Flakoll said we are also facing requests that could siphon off money or restrict its use to very limited purposes. He said we have a potential constitutional amendment that could cost up to \$400 million. He said that money would have to come off the top. He said it would be foolish to think that such a prescriptive commitment would not affect other budgets.

Representative Nathe said requiring that \$400 million come off the top would certainly affect K-12 funding, higher education funding, infrastructure funding, and taxes. He said it will be up to the voters. However, he said, people should be prepared to adjust their expectations in the event the measure is passed.

**Recalibrating North Dakota's Per Student Number for the School Foundation Program -  
Impact of Implementing the Recommendations**

Chairman Flakoll said he would like Dr. Aimee Copas, Executive Director, North Dakota Council of Educational Leaders, to bring together representatives of small, medium, and large school districts for the purpose of suggesting measures of growth and achievement that could be used to answer questions regarding what we are getting for the dollars being expended on K-12 education.

At the request of Chairman Flakoll, Dr. Copas presented *A Historical View of Funding and Picus Recommendations in North Dakota* ([Appendix B](#)). The accompanying PowerPoint slides ([Appendix C](#)) are attached.

Dr. Copas said some of the recommendations made by the original Picus report in 2008 were carefully implemented, with legislative funding, to benefit North Dakota students. She said many of the recommendations in the 2008 report and in the current report were determined by her organization not to be a good fit for North Dakota. She said the reasons include research-based perspectives and fiscal concerns.

Dr. Copas said educational leaders in North Dakota have been and want to continue doing what it really takes to make a big difference for our students. She said public education has not been driven by common sense practices in most states. She said the changes have been driven by accountability. Unfortunately, she said, accountability is less about inspiring teachers to engage in high-quality teaching and learning and more about blaming teachers and administrators for not doing their jobs.

Dr. Copas said we need change agents that foster the intrinsic motivation of teachers and students, change agents that engage educators and students in continuous improvement in instruction and learning, change agents that inspire collective or team work, and change agents that affect all teachers and students.

Dr. Copas said it has been posited that reform in public education should be driven by capacity building, rather than accountability in the form of test results and teacher evaluations; collaborative work or group solutions, rather than the promotion of individual teachers and leadership quality; quality of instruction, rather than the latest technology; and systemic strategies, rather than fragmented strategies.

Dr. Copas said that rather than having North Dakota figure out what worked in other states and then implement it, North Dakota should be paving its own road and thereby encouraging other states to call us and discover how we were able to drive positive change and obtain great results. She said what is needed is time and partnership, trust and belief, and patience and support.

Dr. Copas distributed a document ([Appendix D](#)) entitled *Standards for Professional Learning*. She said these are standards that outline the characteristics of effective professional learning.

Dr. Copas said we need to measure ACT scores, remediation rates, graduation rates, and retention rates. She said we also need the right "drivers," i.e., those that empower educators to get us to the desired results.

With the permission of Chairman Flakoll, Dr. Copas asked to be joined by Mr. Mark Lemer, Business Manager, West Fargo School District, Dr. David Flowers, Superintendent, West Fargo School District, and Mr. Robert Lech, Superintendent, Jamestown School District.

Dr. Copas said the North Dakota Association of School Administrators (NDASA) Legislative Focus Group was developed at the request of the North Dakota Council of Educational Leaders to be a nimble, solutions-oriented group that can provide timely and important information to the Legislative Assembly regarding education, schools, and students. She said the group consists of 12 members and has broad representation. She said Dr. Allan Odden, Principal Partner, Lawrence D. Picus and Associates, had provided to the group a gap analysis. She said that allowed the members to take the Picus/Odden recommendations and plug in their own numbers to see where they are and where they would need to be if the report was to be adopted and implemented. She said the representative school districts are Mandan, Jamestown, Grafton, Ellendale, and Anamoose. She said, interestingly, the challenges that were found with the Picus/Odden recommendations applied to all of the various school size groups. She said the issues they found revolved around staffing and programs.

Dr. Copas said the Picus/Odden report would have required school districts to eliminate a large number of individuals who teach electives, such as career and technology education, music, art, etc. She said, on average, a large district would have to eliminate 22 such teachers. She said a medium district would have to eliminate six teachers, and a small district would have to eliminate two. She said a micro-district would have to eliminate one position.

Dr. Copas said the group also found that school districts would have to eliminate special education teachers. She said the group found that school districts would need to eliminate instructional aides, special education aides, and even some core teachers. She said this came about because of the shift in funding.

Dr. Copas said the group found the need to add individuals in other areas. She said instructional coaches, support staff, core teachers, nurses, and supervisory aides were included in this list. She said, while the recommended changes could be implemented, it would take a period of time and involve walking hand-in-hand with the Legislative Assembly.

Dr. Copas said the Picus/Odden recommendations would result in a shift of capital from the high school to the elementary level. She said this is largely due to the smaller suggested class sizes at the elementary level. She said the Picus/Odden recommendations would also result in the loss of many elective teachers and programs. She said there is a lack of emphasis on the middle school model. She said the costs of capital construction, in order to reach the recommended class sizes, are daunting. She said, in order to achieve the classroom size recommended by Picus/Odden, the West Fargo School District would have to add three schools.

Dr. Copas said the NDASA Legislative Focus Group also looked at the use of average salaries as a component to arrive at the recommended dollar amounts. She said certain districts have higher salaries than others because of the need to attract and retain teachers. She said 119 districts responded to a brief survey. She said there are 89 elementary teacher positions open and 86 high school teacher positions vacant as of August 1.

Dr. Copas said the Picus/Odden report is built on a block schedule, rather than on a traditional seven-period day. She said less than 5 percent of North Dakota schools utilize a block schedule. She said the transition to a block schedule requires a considerable amount of teacher training in order to ensure effective instruction. She said, if schools went to this model without proper implementation, training, and buyin, there could potentially be a negative impact on student achievement. She said implementing block scheduling could shift us away from our successful middle school model.

Dr. Copas said professional development should be driven at the local level. She said the professional development needs that a school has are not necessarily those of a neighboring district. She said professional development should involve a high degree of job-embedded learning that is not limited to the period of a summer academy. She said we should help the state move forward with a 21<sup>st</sup> century learning model.

Dr. Copas said, without increased revenue, most school districts do not have the ability to implement the student support and family outreach requirements that the Picus/Odden report envisioned. She said school districts are already having trouble finding individuals to serve as school nurses, ELL support staff, mental health support staff, and blood glucose testing laboratory coordinators.

Dr. Copas said the Picus/Odden special education recommendations are based on a requirement to fund the 2 percent of the most severe cases. She said, currently, North Dakota funds the 1 percent of the most severe cases, only after the cost for such students has exceeded four times the state average cost of education. She said school districts are seeing increases in the numbers of special education students. She said the current resources are inadequate and the Picus/Odden model does nothing to correct that situation.

Dr. Copas said there are areas that the NDASA would accept, if appropriate and advantageous. She said areas that are good, provided that they are funded well, include extended-day programs, summer school programs, ELL programs, gifted and talented programming, and alternative schools. She said the group supported funding for aides, principals and assistant principals, central office administration, and operations and maintenance. She said they supported full funding of instructional coaches, tutors, substitute teachers, librarians, and secretarial staff, and full funding of instructional materials and full-day kindergarten programs.

Chairman Flakoll said he doubts that the Legislative Assembly will adopt the Picus/Odden report line-by-line. He said he cannot imagine a scenario in which the Legislative Assembly would mandate 10 professional development days.

In response to a question from Representative Nathe, Dr. Copas said the North Dakota Council of Educational Leaders, as well as many of its affiliate groups, stand in strong opposition to the proposed conservation measure.

In response to a question from Representative Sanford, Dr. Copas said school district leaders realize that the Picus/Odden report will not be adopted with fidelity. She said each one of us is measured everyday on how we perform. She said she would like to have a conversation about utilizing the right kind of performance indicators. She said there are things that we have not considered measuring, but which are absolute indicators of student success.

Dr. Flowers said if the Legislative Assembly is interested in adopting some of the Picus/Odden recommendations, the NDASA focus group would like to provide advice regarding which of the recommendations, based on local perspectives and research, would be the best levers in this state. He said he does not question the concept of an evidence-based model. He said the Picus/Odden report used an evidence-based model to identify those levers that can best impact student learning. However, he said, some of those levers would, if implemented in North Dakota, have a great cost and perhaps not a great return. He said others might be less costly and yet have a greater impact on student learning. He said the NDASA appreciates being partners in the formation of that discourse.

Representative Sanford said there has to be a system for figuring out what the payments are going to be for K-12 education. He said we have the Picus/Odden model. He said adopting that model with fidelity is out. He said if we have a system and we have a funding number, and if we do not require anyone to adhere to the components of that system, it seems that what we have is a funding number and local flexibility. He said, if we want to see change in terms of results, he wonders where we go from here.

Dr. Copas said there have been many conversations about where her group would like to go. She said they talk about 21<sup>st</sup> century learning and about the implementation of EdLeader21, which is an opportunity for principals and superintendents to engage in area-based professional development. She said this system pushes the leaders to get better. She said we talk about the four Cs.

Dr. Flowers said many of our school districts now have a strategic plan, which goes beyond instilling in all children the same fundamental skills that were measured by No Child Left Behind and by state assessments. He said we should get better at teaching and measuring those things that we value and which our students are lacking, according to the Greater Economic Development Corporation, the Chamber of Commerce, and businesses and industries. He said EdLeader21 is a national consortium that is wrestling with how we get better at teaching and measuring 21<sup>st</sup> century skills. He said some of our school districts are members. He said EdLeader21 distills those skills down into the four Cs--critical thinking, communication, collaboration, and creativity. He said businesses are telling schools that students are not entering the working world with those skills. He said the good news is that what gets measured gets done. He said the bad news is that what gets measured gets done. He said if all we measure is basic skills, we will end up narrowing the curriculum and losing sight of some of those other things that we value. He said those things that are going to take a lot of professional development, time, support, patience, and capacity building. He said we would like support in exploring how to get better at those things. He said we are concerned about recommendations that might focus on the wrong drivers, rather than on our capacity to truly become great.

Mr. Lemer said the work of the focus group has not been easy. He said a consultant's report is presented as a fidelity model. In other words, he said, if you do all of these things in concert, then there are certain results that will ensue. He said, if we start to cherry-pick or eliminate certain things, we are not necessarily looking at the overall global impacts. He said that same thing happens at the legislative level. He said we have not had the time or the direction to create the North Dakota version of this model. In the end, he said, we almost need to to that. As an example, he said, the Picus/Odden model is light on instructional aides, in part because it is heavy on core teachers, instructional coaches, and interventionists. He said, if a school district has sufficient licensed staff performing those duties, it does not need as many nonlicensed staff participating. However, he said, they are linked so that one cannot pick one without the other. He said the focus group is trying to review the suggested list. He said, unfortunately, the time is too short to develop a comprehensive model prior to the legislative session.

Senator Anderson said he sees some reluctance on the part of educators to use analytical measures that can be counted. He said those are the things that legislators and the public look at--i.e., how do our students perform on internationally comparative tests. He said we translate that reluctance into a term such as "intrinsically motivated." He said that is very difficult to comprehend and he does not know how we get there. He said the Picus/Odden model has some things built into it--such as 10 professional development days. He said some of our school districts think they are doing fine with two professional development days. He said he does not believe that we have any districts with 10 days right now. He said we are trying to bring all of our schools up to the same level. He said we have some good models out there and others should look at them. However, he said, unless we require that school districts actually provide 10 professional development days, and not just add the money to the teacher salaries, we will not achieve those things that have been listed as being important--i.e., continuous improvement in instruction and learning, collaborative teamwork, etc. He said that all takes planning and instruction and coaching. He said, if the school districts do not like the model because it is too heavy on certain things, the next question is what is their alternative. He asked what do they want us to look at in defining and determining the level that students are reaching for \$10,000 per year?

Dr. Copas said it is not that we do not want to measure ourselves against national and international standards. She said we are just talking about the drivers with which we would like to lead. She said we do not want to leave our teachers with the perspective that all they are to do is to teach to an assessment. She said we can measure intrinsic motivation through some of the factors in our AdvanceEd accreditation. She said parents, community members, students, and the teachers themselves provide input on what they are seeing. She said that provides some realistic data that can be provided to legislators. She said the additional data would be helpful in looking at the whole student and the whole picture.

Dr. Copas said many school districts have instructional coaches that live right in the districts. She said they are school principals. She said they spend a lot of time with the districts' teachers, helping them get better. She said that type of professional development is not necessarily tracked in the school district professional development reports. She said the districts would like to have multiple measures by which they could track how professional development happens. She said professional learning communities are an outstanding measure of professional development. She said it is often led by administrators. She said it is often the best collaboration. She said they handle more student issues and become better teachers in that peer development time. She said, right now, that too is not tracked.

Dr. Copas said school districts would like to include as much professional development as they can possibly insert. She said professional development is, however, job-embedded. She said it takes place all the time. She said it is being a lifelong learner.

Dr. Copas said we need to do a better job of giving legislators feedback regarding what good professional development looks like and how it is being provided.

Dr. Copas said there is nothing in the Picus/Odden model that school districts do not like. She said they would, however, need to work with legislators to figure out how the various parts could be achieved, from a fiscal perspective and from a practical perspective. She said, given enough time, anything can be accomplished. She said the question is what can be accomplished during this next legislative session, given all the outside factors.

Dr. Copas said we have a "number" and we have local flexibility. Now, she said, we would like to talk about how schools can do a better job of showing legislators what the schools do. She said North Dakotans are good at showing the need for improvement but they are not good at showing all the really good things that they do. She said we need to work together to figure that out, as well as to unveil those places where there are gaps and therefore where there is a need for improvement.

Senator Anderson said we have funded schools in North Dakota at a much higher rate than most states. However, he said, that local flexibility has been there all along. He said legislators need to be shown which measures of accountability are being used and to determine whether or not improvement is actually being achieved.

Mr. Lemer said we are talking about multiple measures. He said, right now, it is easy to arrive at measures of student success on basic skills tests. He said those types of assessments are not measuring college or career readiness. He said those types of assessments are not measuring whether technology is being used effectively. He said those types of assessments are not measuring collaboration, communication, or creativity. He said graduation rates and results on the North Dakota state assessment would continue to be indicators of success. He said they just would not be the only indicators. He said we need to have the state define its priorities, we need to have the schools deliver on those priorities, and then we need to figure out how to measure what has happened in a way that will allow schools to report back to the state.

Senator Poolman said she would like to advocate for local control. She said she understands that what works in Bismarck does not necessarily work in Anamoose. However, she said, she is concerned with the expectation that the formula will be tweaked, biennially, in accordance with that for which superintendents say they are spending money and with the expectation that superintendents will try to manage the formula. She said she wonders if legislators will want to access school district books in order to see where all of the dollars are spent. She said, if that happens, it will be troubling for superintendents and school boards.

Dr. Copas said the North Dakota Council of Educational Leaders thought that if it, as an organization, does not come to the table with some good ideas that will work and then continue to move forward with those ideas, thereby ensuring consistency and synergy in the state, others will do so and perhaps in a way that is not so great and impactful for students. She said every decision and thought process should be deliberately undertaken with a view to how it impacts our students. She said we talk about assessment scores and how we compete. She said what we are really talking about is how we generate success for our students.

Dr. Copas said our superintendents and business managers have a hard time understanding how to establish their budgets because we are constantly tweaking the formula.

In response to a question from Representative Monson, Mr. Lech said the Picus/Odden model essentially funds instructional coaches and nonacademic student support personnel through the loss of core teachers and specialists. He said one will not find many people in education who do not say that instructional coaches are positive for education. He said the question is whether we want to fund them by eliminating specialist teachers.

Dr. Flowers said the members of the NDASA Legislative Focus Group did not design their own method for analyzing the Picus/Odden recommendations. He said the group used the tool provided by Dr. Odden for purposes of their gap analysis. He said there is fidelity in the methodology, although there may have been some disagreement regarding which category of staff to plug into which cells.

In response to a question from Chairman Flakoll, Dr. Copas said she has had a chance to share the work of the NDASA Legislative Focus Group with the members of the North Dakota Council of Educational Leaders.

### **Financial Condition of Schools - Report**

At the request of Chairman Flakoll, Mr. Jerry Coleman, Director of School Finance, Department of Public Instruction, presented testimony ([Appendix E](#)) regarding the financial condition of schools. Mr. Coleman said *School Finance Facts* is available on the Department of Public Instruction website. He said the handout includes school district ending fund balances since 1996. He said the estimated population of the state for 2013 is 723,393.

Mr. Coleman said the largest nine school districts in the state educate roughly 60 percent of the students. He said about 50 school districts had zero or negative changes in enrollment. He said the K-2 grade cohorts are averaging 8,600 students and the grade 3-12 cohorts are averaging 7,600. He said he is anticipating an increase of 3,500 students annually for the next decade.

Mr. Coleman said the K-12 funding formula is driven by numbers of students.

In response to a question from Representative Nathe, Mr. Coleman said, in the next decade, we will most certainly be in the 120,000 range for students.

In response to a question from Representative Sanford, Mr. Coleman said, in the past two years, property valuations increased 14 percent and then 16 percent. He said, at a 60-mill uniform contribution, the revenues from that contribution will increase by that same percentage. He said the increases in new students will be largely funded by the state, i.e., at a rate of 79 to 80 percent. He said, if the state does not maintain a significant contribution, its share of education funding will begin to erode.

In response to a question from Senator Heckaman, Mr. Coleman said school districts would love to get paid on the higher of their average daily membership or their September 10 fall enrollment. However, he said, considering such a change would come with a price tag and it would complicate an already complicated formula.

Mr. Coleman said early estimates show an increase of approximately 10,000 students in average daily membership over the biennium. He said that means there will be approximately 14,000 weighted student units. He said the weighting factors, including the school district size weighting factors, drive the formula. He said it will be January 2015 before he will have another look at property valuation increases.

Mr. Coleman said, just to fund the increase in the rate, from the first year to the second year of the biennium, will take about \$30 million. He said, to that, we must add 3,350 additional weighted student units. He said that accounts for another \$30 million. He said, if we add the new students that we expect to gain, that will add another \$100 million. He said, if there would be a 3.2 percent increase in funding, as there was in the past, together with a 16 percent increase in taxable valuation, the total becomes \$275 million. He said that would be a combination of state and local sources. He said the local share is \$75 million, so the state share would be about \$200 million. He said it is very early in the process and more will be known later. He said, while that sounds like a large number, legislators need to remember that the K-12 appropriation is \$1.8 billion. He said the early estimates amount to an 11 to 12 percent increase over the previous biennium.

Representative Kelsh said, if the predictions regarding the state budget are accurate, \$200 million is not a large amount, especially when one considers all of the various special funds. He said we do not even know how much money will be in the different funds. He said there appeared to be a fear factor with respect to comments about the conservation measure that could be on the ballot. He said the state has tremendous resources.

Representative Nathe said, if the conservation measure passes, that will mean \$400 million will be off the table. He said he believes our disposable surplus will be closer to \$1.5 billion. He said people say that the state is sitting on \$8 billion to \$9 billion. He said those are all constitutionally mandated funds. He said student growth is going off the charts. He said that is fantastic. He said, five years ago, we were looking at closing schools and worrying about people leaving the state.

In response to a question from Representative Koppelman, Mr. Coleman said 50 districts saw student enrollment increases of 4 percent or more. He said 43 districts had decreases in enrollment.

### **Employee Compensation - Report**

At the request of Chairman Flakoll, Mr. Coleman presented the *2012-2013 Employee Compensation Report* ([Appendix F](#)). He said this is a statutorily mandated report. He said this report is available on the Department of Public Instruction website. He said it includes minimum, maximum, and base salaries for teachers and administrators. He said it also includes benefits. He said the National Education Association ranks North Dakota at 43rd out of 51 in teacher salaries. He said the National Center for Education Statistics compared 2012-13 salaries in constant dollars against those from 1999-2000. He said it reported that North Dakota had experienced a 16 percent increase, whereas nationally, there were losses of 1.3 percent.

### **North Dakota State Assessments - Report**

At the request of Chairman Flakoll, Mr. Bob Marthaller, Assistant Superintendent, Department of Public Instruction, presented a report ([Appendix G](#)) regarding administration of the 2013-14 state assessments. Mr. Marthaller said this is a statutorily mandated report. He said 98 percent of all students eligible to be tested participate in the North Dakota state assessment or the alternate assessment. He said the reports and student achievement levels can be accessed on the Department of Public Instruction website. He said reading scores have remained stable and mathematics scores have risen only slightly over the years.

### **Waivers of Statutory Requirements Governing Instructional Time - Report**

At the request of Chairman Flakoll, Ms. Gwyn K. Marback, Acting Director, Teacher and School Effectiveness, Department of Public Instruction, presented a report ([Appendix H](#)) regarding waivers of statutory requirements governing instructional time. Ms. Marback said schools and school districts apply for waivers of instructional time for two principal reasons--i.e., to have increased instructional time for electives and responses to intervention or to have additional time for teacher collaboration and professional development activities.

### **Requests for Waivers of Accreditation Rules - Report**

At the request of Chairman Flakoll, Ms. Marback presented a report regarding requests for waivers of accreditation rules. She said the Department of Public Instruction will be repealing its accreditation rules and focus on sharing best practices with schools and school districts. She said school improvement work is now part of the AdvancEd accreditation process.

Ms. Marback distributed a copy ([Appendix I](#)) of the North Dakota Assurances that schools must complete as part of the AdvancEd accreditation process.

### **Special Funds**

With the permission of Chairman Flakoll, Senator Holmberg said the legacy fund is a constitutional fund. However, he said, the Legislative Assembly can, in accordance with the North Dakota Century Code, add additional dollars to the legacy fund. He said any amount of money that goes into the general fund from the oil and gas revenues is capped at \$300 million. He said 25 percent of any amount above that goes into the legacy fund. He said it is anticipated that, by the end of the biennium, the amount will be approximately \$211 million. He said the Legislative Assembly does not have instant access to dollars once they go into the legacy fund.

Senator Holmberg provided an electronic copy of a memorandum entitled [2013-15 Oil and Gas Tax Revenue Allocation Flowchart](#), showing 2013-15 oil and gas tax revenue allocations.

In response to a question from Representative Kelsh, Senator Holmberg said that the strategic investment and improvements fund is statutory.

Senator Holmberg provided an electronic copy of a memorandum entitled [Selected State Special Funds Summary](#) showing selected state special funds. He said there are about \$11 billion in the special funds. He said nearly \$2 million of the \$6.6 million in the statutory funds are the Teachers' Fund for Retirement reserves. He said another \$2 million is the Public Employees Retirement System reserves. He said, admittedly, there are dollars in nonconstitutional funds. However, he said, the Legislative Assembly would be ill-advised to raid those funds for other purposes.

## **Development, Delivery, and Administration of Comprehensive Early Childhood Care and Early Childhood Education - Report**

At the request of Chairman Flakoll, Ms. Kirsten Baesler, Superintendent of Public Instruction, presented a report ([Appendix J](#)) regarding the development, delivery, and administration of comprehensive early childhood care and early childhood education. Ms. Baesler said early childhood care and education comes within the bailiwicks of the Department of Human Services Division of Children and Family Services and the Superintendent of Public Instruction. She said the Department of Human Services has some money for early childhood service providers and that is linked to workforce development. She said the Department of Human Services is involved in a childcare quality improvement program and makes limited grants available to individuals and entities who care for children with special needs.

Ms. Baesler said the approval of prekindergarten organizations is addressed within the Department of Public Instruction. She said the department also sets kindergarten standards and is involved in a consortium that establishes kindergarten readiness assessments. In addition, she said, the department approves the federal funds for the state's early childhood programs and services and administers early childhood education grants for individuals who want to become early childhood teachers.

Ms. Baesler said the level of collaboration between the two agencies provides some hurdles and some opportunities.

Ms. Baesler said 73 percent of North Dakota children live in a home with two working parents. She said parents who have access to quality early child care and early childhood education are more productive employees. She said there are fewer absences and incidents of tardiness. She said there are fewer job changes and greater focus on the job at hand.

Ms. Baesler said only 36 percent of North Dakota children, ages three and four, are enrolled in a quality early childcare or early childhood educational program. She said that places us at the fifth lowest in the nation. She said, presently, only 34 percent of North Dakota children are reading proficiently by the fourth grade.

Ms. Baesler said fewer than 38 percent of early childhood teachers and fewer than 6 percent of licensed childcare providers had a four-year degree with a major in early childhood education. She said almost 1,800 children are on a waiting list for early childhood care or early childhood education programs. She said the waiting list often discourages parents from signing up and there is no followup when the families finally give up. She said North Dakota has 1,437 licensed childcare providers. She said, in many counties, licensed childcare providers have the capacity to care for only 25 to 50 percent of the students needing early childhood care or educational services.

Ms. Baesler said only 14 counties have a Head Start or an early Head Start center. She said, as of December 2013, 4,192 children were served by those programs. She said that amounts to 7 percent of the zero to 5-year-olds in the state.

Ms. Baesler said, during the 2013-14 school year, only 53 school districts operated an approved early childhood classroom.

Ms. Baesler said there is an urgent need to increase the availability of early childhood care and early childhood education. She said this will help working parents at a time when the state is facing a critical labor shortage. She said there are potential opportunities for public and private sector providers of early childhood care and early childhood education to work together.

Ms. Baesler said, at this time, North Dakota does not collect all the information necessary to address the questions that legislators have. She said using survey results was the best option available.

Ms. Baesler said, during the 2013 legislative session, school districts were given the opportunity to use general fund dollars in order to support early childhood education. She said 53 school districts offered early childhood education during the 2013-14 school year. Right now, she said, the Department of Public Instruction is in the process of approving early childhood programs. As of today, she said, there are 65 school districts that will be providing such services during the coming school year.

### **PUBLIC COMMENT**

Ms. Janet Welk, Executive Director, Education Standards and Practices Board, said the Education Standards and Practices Board (ESPB) is working with school district administrators to address the staff shortage issue for this coming school year. Ms. Welk said available options include:

- Alternative access, which applies to an individual who has a degree in a required subject but has not been prepared as a teacher;
- A reciprocal license, which is given to an individual who is licensed in another state;
- A 40-day provisional license, which allows time for paperwork to be processed;
- Testing, without further educational requirements, so that an elementary teacher can teach at the high school level;
- Declaring shortage areas, which right now include all areas except for elementary teachers and physical education teachers, and thereby allowing teachers who have already retired to return to the classroom, without losing any retirement benefits; and
- Utilizing substitute teachers, who are required to have two years of higher education.

Ms. Welk said "plans on file" are generally used for individuals who have baccalaureate degrees in education and would like to serve as counselors or special education teachers during the three-year period within which they are pursuing additional education.

Ms. Welk said the ESPB does not have any control over salaries or housing availability.

In response to a question from Representative Kelsh, Ms. Welk said a substitute teacher does not sign a contract and is not a teacher-of-record.

In response to a question from Representative Nathe, Ms. Welk said she is licensing more individuals from out of state than individuals from North Dakota. She said she licenses about 1,000 individuals a year.

Representative Sanford said we obviously have a teacher shortage. He said the heart of education is a quality teacher. He said we cannot let that fall from the forefront of our funding efforts.

### **COMMITTEE DISCUSSION**

In response to a question from Representative Kelsh, Ms. Marback said, at the present time, a parent can provide home education if that parent has a high school diploma or a GED. She said, if the parent does not meet that requirement, monitoring is required for two years. She said if the child scores higher than the 50<sup>th</sup> percentile on a nationally standardized test, the monitoring is discontinued. She said it is very difficult to find out about parental neglect situations, when there is no requirement for monitoring by a school district. She said school districts are encouraged to report any concerns to social services. She said what is done or not done by that entity is another issue.

Representative Kelsh said he is concerned that there is a sizable discrepancy between the number of home-educated students of whom the Department of Public Instruction is aware and the number of home-educated students claimed by the North Dakota Home Education Association.

Representative Sanford said at the last meeting, Dr. Odden indicated that the funding components are necessary to justify a per student number. However, he said, Dr. Odden also stated that if the level of student achievement is sufficient, there should be less concern about the actual utilization of funding components. He said the standard that we generally reference is "college and career ready." He said we do not have a definition of that measurement. He said, right now, it is nothing short of a nice phrase.

Chairman Flakoll said we do not want to burden school districts by imposing unachievable goals on them. He said we will continue to be respectful of that which can be done. As an example, he said, increasing professional development days might be in conflict with existing school district contracts.

Senator Anderson said Dr. Odden told the committee that the funding proposal included the money for 10 days of professional development. He said it seems as if we are shying away from monitoring the school districts or having them report on their professional development activities.

Chairman Flakoll said he does not envision a bill requiring school districts to have 10 days of professional development by the fall of 2015.

Senator Anderson said the money for the 10 days of professional development is, however, included within the payment rate of \$9,092.

Representative Rust said Dr. Odden suggested the possibility of increasing the professional development days by something like one per year or one per biennium.

Chairman Flakoll said we do not want districts to simply check the box with respect to the number of professional development days and in fact offer only sub-par professional development activities. He said there needs to be more of a shared philosophy regarding excellent professional development opportunities and how regional education associations could be used to achieve quality opportunities.

Representative Rust said perhaps we need to look at a definition of professional development. He said a teacher working on a master's degree is arguably engaging in professional development. He said there are things that teachers are doing which do not fall into the traditional perception of professional development.

Representative Nathe said all professional development days are not created equal. He said we will have to find a way to ensure quality professional development activities so that, as a state, we are getting the greatest "bang-for-the-buck."

### **ADJOURNMENT**

No further business appearing, Chairman Tim Flakoll adjourned the meeting at 2:30 p.m.

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L. Anita Thomas  
Counsel

ATTACH:10