

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### EDUCATION FINANCE COMMITTEE

Wednesday, August 30, 2000  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Senator Layton Freborg, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Layton Freborg, Dwight C. Cook, Jerome Kelsh, Rolland W. Redlin; Representatives James Boehm, Thomas T. Brusegaard, Lois Delmore, Rachael Disrud, David Drovdal, Howard Grumbo, C. B. Haas, Lyle Hanson, Kathy Hawken, Dennis E. Johnson, RaeAnn G. Kelsch, Ralph Metcalf, Laurel Thoreson

**Members absent:** Representatives Jack Dalrymple, Deb Lundgren, Robert E. Nowatzki, Bob Stefonowicz

**Others present:** See Appendix A

**It was moved by Representative Kelsch, seconded by Representative Delmore, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.**

#### QUALITY SCHOOLS COMMITTEE

At the request of Chairman Freborg, Lt. Governor Rosemarie Myrdal presented testimony regarding the work of the Quality Schools Committee. A copy of her testimony is attached as Appendix B. She said the quality emphasis needs to be on schools. She said there are 440 schools in North Dakota.

Lt. Governor Myrdal said we must look at multiple methods of measurements as we approach issues regarding the measuring of student results. She said among these measurements are the rate of high school completion, academic achievements, technology skills, career planning activities, postsecondary education and employment, participation in activities, competitive achievements, citizenship health, and student and parent satisfaction.

Lt. Governor Myrdal said the Quality Schools Committee will be seeking an appropriation to provide for an assessment director, to provide for local student assessment materials, to provide technological support services, to fund a facilitator and a peer review process, and to pay for validation team expenses and school improvement grants. She said the goals set out by the Quality Schools Committee are being supported by the Education Standards and Practices Board, the State Board of Public School Education, the State Board of Higher Education, and the State Board for Vocational and Technical Education.

In response to a question from Senator Freborg, Lt. Governor Myrdal said the dollar amounts that the Quality Schools Committee will be seeking are not finalized but will be finalized in time for inclusion in the Governor's budget.

#### SCHOOL DISTRICT FINANCIAL REPORTS

At the request of Chairman Freborg, Mr. Tom Decker, Department of Public Instruction, presented testimony regarding the content of financial reports from school districts and specific actions taken to account for transfers from school district general funds, eliminate or reduce variations in the reporting of data, and ensure that the financial data are available in a form that allows for accurate and consistent comparison.

Mr. Decker said the Superintendent of Public Instruction produced the first school district accounting manual in 1979. He said the manual has since been completely updated and revised. He said North Dakota schools are required to report to the Superintendent of Public Instruction through a uniform accounting system. He said this report is due on August 1 of each year. He said a school district may not receive foundation aid if the report is not filed by October. He said the Superintendent of Public Instruction sponsors training sessions for school district business managers so they are able to appropriately use the required school district accounting manual.

Mr. Decker said if stronger guidelines are to be provided, there would need to be changes in the law to link reporting and auditing functions and to eliminate any variations in reporting. He said each year technology is improving the uniformity of reporting, and the business managers are improving their reporting skills.

In response to a question from Senator Freborg, Mr. Decker said the primary problem is providing information to school districts about which expenditures should be reported in which accounts. He said the Superintendent of Public Instruction provides the information and tries to encourage compliance with the accounting requirements. He said there is no penalty for noncompliance with the Superintendent of Public Instruction's suggested reporting methods. He

said there is neither authority nor manpower to increase the level of compliance with the uniform accounting system.

In response to a question from Representative Drovdal, Mr. Decker said there is no comparable uniform system for measuring academic performance across the state. He said a uniform data management system is essential to generating comparable academic performance data. He said the state is very general about student results. He said a school can show good general results and still have a significant number of its students not doing well. In many instances, he said, a plan is not in place to deal with the poor results. He said the value that schools add to the lives of their students needs to be measured. He said good students come to our schools. He said they might be better students if there is better data regarding our schools and what the schools do.

In response to a question from Senator Cook, Mr. Decker said tighter reporting requirements can be legislated, but without enforcement mechanisms, nothing will be improved.

In response to a question from Representative Delmore, Mr. Decker said a single assessment instrument is not being considered. He said the need for multiple assessments to judge how a school is doing cannot be overemphasized. He said schools need to be helped to clearly identify what factors contribute to quality and how those factors contribute to quality results. He said schools need to be provided with the technical support to accomplish goals. He said there needs to be a definition of what students should know and then multiple assessment mechanisms to determine how the students are doing.

In response to a question from Senator Freborg, Mr. Decker said there is a need to have additional conversations about the direction to go with respect to accounting requirements. He said different districts have different concepts about appropriate levels of expenditures with respect to extracurricular activities. He said transportation and equipment are two areas into which funds can be shifted.

In response to a question from Representative Hawken, Mr. Decker said the Superintendent of Public Instruction reports all the collected information in the *School Finance Facts*. He said much of it is included in the Department of Public Instruction Internet web site. He said more time is spent tracking dollars than tracking educational progress. He said data needs to include student results. He said results of our expenditures need to be reviewed and districts need to be compared on their results.

Representative Hawken said in her school districts, the expenses have been primarily in the areas of special education and English as a second language.

In response to a question from Representative Hawken, Mr. Decker said almost every solution to these concerns requires legislation. He said school

districts tend to focus on getting through the process and spending money in the ways they have in the past. He said those expenditures are not necessarily connected to results.

In response to a question from Senator Kelsh, Mr. Decker said districts send average daily membership reports, transportation reimbursement reports, and probably six or seven other reports. He said the school census reports 6- to 17-year-olds in the district, and this report affects a district's tuition apportionment payment.

In response to a question from Senator Kelsh, Mr. Decker said every school district is required to go through an audit procedure. He said those audit procedures do not look for a great deal of detail. He said fund transfers are allowed, so they would not be caught in an audit. He said there is a good deal of flexibility in the decisionmaking about what money gets reported in which expenditure account.

In response to a question from Senator Cook, Mr. Decker said if the political will is present to make decisions about spending money more efficiently, the Superintendent of Public Instruction has the data to make that happen. He said in North Dakota, with the heavy emphasis on local control, decisions about school district expenditures are made at the local level. If the delivery structure for education is reviewed, he said, there are significant dollars to be found.

## SCHOOL DISTRICT ENDING FUND BALANCES

At the request of Chairman Freborg, Mr. Richard D. Ott, Executive Director, North Dakota School Boards Association, presented testimony regarding school district ending fund balances. He said ending fund balances are needed. He said the amount of an appropriate ending fund balance ranges from 10 percent to 33 1/3 percent. He said the midpoint for districts in North Dakota is 21 percent. He said the manner in which money is managed through maintenance of ending fund balances is working. He said there are not any major flaws in this process.

Mr. Ott said each school district is in a unique situation with respect to its financial consequences. If nonrenewable financial resources such as ending fund balances are spent down for the purpose of renewable expenditures, he said, the school districts will be put on a collision course with bankruptcy. Again, he said, what the districts are now doing appears to be working.

Mr. Ott distributed a document regarding the districts' ending fund balances and teacher salaries. A copy of the document is attached as Appendix C. He said the average teacher salary of the 37 districts under consideration is at or above the state average. He said the districts on the list involve the majority of teachers in this state.

Mr. Ott said the issue legislators should be focusing on is not ending balances. He said the issue is that the state is not funding kindergarten through grade 12 education adequately.

In response to a question from Representative Hanson, Mr. Ott said the teacher salaries listed in the handout are those of full-time equivalent teachers.

In response to a question from Representative Thoreson, Mr. Ott said what is meant by adequate funding is a good question and one for which he does not have an answer.

In response to a question from Senator Freborg, committee counsel said before the 1995 legislative session, state payments were made to school districts over a nine-month period. She said 15 percent was distributed on September 1, 15 percent was distributed on October 1, and 10 percent was distributed on the first day of each month from November through May.

Committee counsel said during the 1993-94 interim, the interim Education Finance Committee was told that school districts may incur significant expenses during the summer months and during the weeks before the first state payment arrives. She said the committee was told school districts often had to borrow money to maintain operations during that period. She said the committee recommended introduction of what is now present law--a distribution of roughly equal payments over a 10-month period beginning July 15 and continuing on the first of each month through April. She said the committee's reasoning was that the change would alleviate some of the financial burden experienced by school districts. She said the Office of Management and Budget had indicated that whatever distribution schedule is set up by the Legislative Assembly, the Office of Management and Budget will ensure the cash is available to meet the distribution schedule.

## **STATE ACADEMIC CONTENT STANDARDS AND ASSESSMENTS**

At the request of Chairman Freborg, committee counsel reviewed a bill draft relating to state academic content standards. She said this bill draft requires that the Superintendent of Public Instruction develop state academic content standards, applicable to grades 4, 8, and 12, in all core subject areas. She said the Superintendent of Public Instruction is also directed to distribute the content standards to each school district and each nonpublic school.

Committee counsel said at the request of the committee, language was added requiring that the Superintendent of Public Instruction revise the standards at least once every five years and distribute the revised standards.

Committee counsel said each school district and each nonpublic school is required to adopt the state academic content standards applicable to grades 4, 8, and 12, in the areas of mathematics, English

language arts, science, and social studies, or adopt or develop alternate academic content standards for the listed areas by the beginning of the 2002-03 school year. She said the only condition is if a school or school district adopts or develops its own standards, those standards have to be at least as rigorous as the state standards.

Committee counsel said the bill draft phases in the adoption of other academic content standards. She said health, the arts, physical education, world languages, and technology are added to the list for the 2003-04 school year. She said a school district or a school has the option to adopt the state standards, and Section 3 of the bill draft provides that beginning with the 2002-03 school year, the Superintendent of Public Instruction must require each school district and nonpublic school to adopt or develop curricula that are aligned to the academic content standards. She said the adoption or development of curricula is phased in over several school years.

Committee counsel said in the original bill draft the adoption of academic content standards and curricula were tied to the accreditation process. She said the committee asked for an amendment making standards and curricula applicable to all schools and school districts. She said this was done by tying the requirements to the school approval process. She said an approved school has to hire licensed teachers; offer all subjects required by law; comply with all health, fire, and safety laws; and meet the academic content and curricula requirements of the bill draft.

At the request of Chairman Freborg, committee counsel summarized the bill draft relating to state academic content standards and assessments. She said the first three sections of this bill draft are the same as those of the bill draft previously discussed. She said this bill draft requires the Superintendent of Public Instruction to develop state academic content standards, distribute them to each school district and each nonpublic school, and revise them on a five-year cycle. She said the same phase in schedule is maintained for the adoption of the content standards and for the adoption or development of curricula.

Committee counsel said Section 4 of the bill draft requires that the Superintendent of Public Instruction develop and make available student assessments for English language arts and mathematics. She said these assessments are to be applicable to grades 4, 8, and 12. She said the assessment purpose is to measure student knowledge and to assist in determining whether the schools are meeting the academic expectations set forth in their improvement plans.

Committee counsel said each school district and nonpublic school is expected to have an assessment plan in place beginning with the 2002-03 school year.

Committee counsel said the Superintendent of Public Instruction is to collect the reports on student performance. She said each school district and

nonpublic school is responsible for publishing the results of its student assessments. She said compliance is made a part of the school-approval process.

At the request of Chairman Freborg, Mr. Greg Gallagher, Department of Public Instruction, presented testimony regarding the bill drafts governing academic content standards and student assessments. A copy of his testimony is attached as Appendix D. He introduced Ms. Norma Nosek, Director of Curriculum and Special Services, Wahpeton School District, and Mr. Bernie Burley, Director, Dakota Learning Systems, Grafton. He said both individuals have been extensively involved in the development of academic content standards and would like to address the committee.

Ms. Nosek said she has been involved with standards for the last three to four years. She said she has served on the state standards, assessment, learning, and teaching team. She said she is a big believer in standards. She said she uses the national standards in her district because they were available earlier than the state standards. She said state standards for music, science, health, language arts, and visual arts are completed. She said social studies, foreign languages, and mathematics will be completed during the coming year.

Ms. Nosek said the curriculum guides used by the Wahpeton School District are written entirely by teachers. She said one teacher from each grade level plus one individual who teaches that discipline at the middle school or high school level constitute the writing teams. She said teachers are brought in to discuss trends in that particular discipline. She said revisions occur every five years.

Ms. Nosek said every school district in North Dakota should use the state standards exactly as they are written. If that is done, she said, a student who moves from Wahpeton to Bottineau would receive a continuation of the educational process.

Ms. Nosek said there is no reason for each district to write its own standards. She said districts might want to adapt or revise slightly, but for the most part they should use the state standards. She said local districts then could fill in what has not been done. She said this is a cost-effective way to go.

Ms. Nosek said a benchmark is like a rung on a ladder. She said the standard is where we expect kids to be when they graduate. She said the benchmark is a step on the ladder. She said a teacher has to take students up that step on their way to meeting the graduation standard.

Ms. Nosek said Wahpeton has about 1,600 students. She said her curriculum committees number 13 to 15 individuals. She said the district budgeted \$400 per teacher on a curriculum committee. She said the teachers get this amount regardless of how long it takes to complete the project. She said it costs about \$6,000 every five years.

Ms. Nosek said the Wahpeton School District has made its curriculum guides a model for the state. She said the guides are available for anyone who wants to use them. She said the guides are on the Department of Public Instruction's Internet web site and are available for downloading. She said a district could adopt the curriculum as it is or make its own adjustments. She said this method would not cost as much as writing it themselves. She said this method would probably cost in the range of \$4,000. She said it should not make any difference what size the district or consortium is. She said the same number of people is still needed. She said they could do the editing in one day at a cost of about \$1,500.

In response to a question from Representative Disrud, Ms. Nosek said most school districts would provide their own inservice instruction regarding the standards and curriculum.

In response to a question from Senator Kelsh, Ms. Nosek said in the Wahpeton School District, the curriculum guide is the publication from which they teach, not the textbook. She said some teachers in other districts have used and continue to use textbooks as their curriculum guides.

In response to a question from Senator Cook, Ms. Nosek said the Wahpeton School District is using the state tests for English language arts and mathematics. She said the district intends to write more of its own tests. She said students take the Comprehensive Test of Basic Skills as a national test in grades 4, 6, 8, and 10.

Representative Delmore said the costs mentioned by Ms. Nosek cover just the writing of standards, not their implementation. In response to a question from Representative Delmore, Ms. Nosek said she cannot say what the cost to make it happen would be in another district. Ms. Nosek said, however, it should not have to cost extra money to implement the standards. She said she is continually telling the teachers she wants to see the benchmarks in the teachers' lesson plans, and she is after her principal and superintendent to include a teacher's use of the standards and benchmarks in evaluations.

In response to a question from Representative Disrud, Ms. Nosek said the teachers in the Wahpeton School District have been doing this for a long time. She said they have had their English language arts standards and benchmarks for at least five years. She said their teachers have said it makes teaching a lot easier because they know what they have to do and why they have to do it.

Mr. Burley said he has been involved with standards since 1994. He said he works with a vocational and technology center in Grafton. He said he is involved with staff development programs in both North Dakota and Minnesota. He said, as a new teacher, he walked into the school and was told to teach grade 9 English. He said he never asked what

the eighth graders had learned nor what the 10th graders were supposed to know.

Mr. Burley said he taught the eight parts of speech, as did every teacher from grade 4 through grade 12.

Mr. Burley said standards-based education moves those things that are already in place in most school districts into a logical form and sequence. He said standards-based schools are schools of excellence. He said standards-based schools have consistency and direction. When students hop from school to school, he said, they will do better with standards-based schools. He said so often teachers do not realize what they are teaching is the same thing that every other teacher is teaching.

Mr. Burley said good schools--excellent schools--need to measure the performance of their students. He said the North Dakota assessments are broadly focused. He said reasoning skills, problem-solving skills, and critical-thinking skills are important and need to be measured.

Mr. Burley said resources should be available so the Department of Public Instruction staff can provide technical assistance to school districts. He said a system is needed that can help any school district answer questions such as, How do we do it? Where do we begin? He said the Department of Public Instruction needs people to continue crafting the benchmarks and standards. He said the department also needs the resources to craft quality assessments so that the only form of measurement is not just the Comprehensive Test of Basic Skills.

Mr. Burley said his organization infuses \$2,500 of federal dollars into a school district undertaking this process. He said the school district pays him--a professional developer--\$100 an hour.

Mr. Burley said the Institute for Excellence in Math and Science is involved in helping teachers craft programs according to the standards. He said the charge to school districts is \$400 per teacher. He said the school districts have used Goals 2000 and Eisenhower grants. He said the teacher is paid \$450 for attending the sessions. He said these amounts are often pooled to buy materials. He said the Otto Bremmer Foundation and the Bush Foundation support the standards process.

In response to a question from Senator Kelsh, Mr. Burley said there are students with special needs who are not going to meet the standards, and there are other students who will meet the standards very quickly.

In response to a question from Representative Delmore, Mr. Burley said the best thing to do is start looking at assessments that go beyond the Comprehensive Test of Basic Skills. However, he said, the Comprehensive Test of Basic Skills just measures a portion of what North Dakota students are taught. He said the assessment tools developed must be geared toward the benchmarks. He said assessments are

needed to improve learning. He said a young person needs to be shown what he or she did well and on what he or she needs to work. He said assessments should tell teachers what went right and what did not go right in a classroom. He said assessment tools help students learn better and teachers teach better.

In response to a question from Representative Disrud, Mr. Burley said sometimes school districts do not know whether they can use funds for purposes such as standards and assessments. He said Eisenhower grants are predominantly for mathematics and science but can be used for English language arts too.

Mr. Gallagher said the goal is to achieve challenging standards, set clear priorities for what is important in education, and maintain a balanced fund management. He said the cost for the state to develop standards and have them implemented at the local level needs to be reviewed. He said there is a requirement for the state to establish academic content standards. He said the state would have to have all those standards prepared and on a five-year cycle. If this bill draft were enacted, he said, the state will have those standards and be on the revision cycle. He said the efforts up to this point have been paid for by federal funds. He said the future of federal funds is tied to the Elementary and Secondary Education Act in Congress. He said what they have been led to believe is that federal dollars will continue to be available for this purpose. If however there are no federal funds, he said, it would cost \$30,000 to revise a state standard at the state level.

Mr. Gallagher said there is an implication in the bill drafts that there will be monitoring of school districts. He said the Superintendent of Public Instruction is working with teachers and administrators across the state to determine how a district will be assessed on the quality of its content standards. He said the evaluation process is being underwritten by federal funds. He said the impact to a district is generally absorbed through the funds for the district's accreditation process. He said paying scorers and reporting back would cost the districts approximately \$1,000.

Mr. Gallagher said districts need to adopt state standards. He said the minimal compliance requirement of this bill draft states that a district must adopt the state standards. He said this could be done by something as simple as a vote of the school board. However, he said, the bill draft allows districts, if the districts choose to do so, to develop alternate content standards. He said that is a voluntary activity on the part of the district. He said there is not a requirement in the law that alternate assessments be written. He said it is included as an alternative because innovation and local expression is welcomed. He said the law, as written, requires no financial impact on the district. If a district chooses to write its own standards, he said, the district should budget approximately \$5,000.

Mr. Gallagher said these documents cannot be crafted and then put on a shelf. He said they are designed to improve the quality of teaching. He said districts need to align these documents and take them into the classroom. He said the cost of aligning curriculum varies widely from \$5,000 to \$40,000 on a given discipline. He said this is dependent upon the scope and depth of a district's effort. He said the bill draft requires only a minimal compliance at grades 4, 8, and 12.

Mr. Gallagher said most if not all of the work on standards in the state has been paid for by federal school improvement funds. He said it is the stated purpose of Congress that school districts use federal funds to supplement the activities normally conducted in schools.

Mr. Gallagher said districts frequently form consortia and take a look at federal dollars available to support their efforts. He said moneys are available through Goals 2000, Eisenhower grants, innovative education program strategies, and class size reduction grants.

Mr. Gallagher said, with respect to professional development, curriculum cannot be aligned to standards without doing anything to help teachers improve their skills. He said that issue has been around for years. He said professional development is an issue whether a teacher teaches from a textbook or from curriculum standards. He said North Dakota is allocated \$1.2 million annually for professional development, primarily in the areas of mathematics and science. He said he expects the money will continue to be awarded. He said some districts have not fully expended their 1998-99 funds. He said some districts are still spending their 1999-2000 funds. He said there is a capacity issue in the ability of districts to spend the available funds. He said districts have turned back class size reduction grants that could have been used for professional development.

Mr. Gallagher said the premise of professional development is sustained and focused. He said it is not an issue for a specific number of years. He said the idea of standards is becoming normative. He said standards need to be sustained and districts need to determine how the federal funds are to be used at a local level.

Mr. Gallagher emphasized the bill drafts have minimal compliance requirements. He said some school districts have gone through a grade-specific alignment for every grade and every standard. He said their efforts are available to other districts at a reduced or at a minimal cost.

Mr. Gallagher said the state has established English language arts and mathematics assessments. He said the best way to measure the progress of students is to test them in reading, writing, and mathematics, at about \$400,000 per discipline. He said the cost of state assessments is primarily involved in paying teachers to score the state tests. He said the

Comprehensive Test of Basic Skills is a bubble test, i.e., "color-in" the best answer. He said he believes it would take \$300,000 per year per discipline to have valid, reliable assessments. He said the local districts would take the state-developed assessments and develop their own assessment plans. He said this would require that they pull together administrators and teachers to determine how this will work. He said assessment plans require that people buy into assessments. He said professional development in this area is part of the ongoing need for professional development.

Mr. Gallagher said test-banking is being used across the state so teachers can develop their own assessments. He said the reporting of data could be done through the local newspaper or through Internet web sites.

Mr. Gallagher said \$1.2 billion per biennium is spent on education without any reference to a standard. He said there needs to be challenging standards and priorities, and funds need to be used wisely.

In response to a question from Representative Delmore, Mr. Gallagher said the estimates are appropriate in dealing with the minimum compliance required by the bill draft. He said the state can set content standards, but districts have to develop their own curriculum. He said curriculum development funds are still available. He said it requires some sense of priorities. He said it would be wonderful to have additional funds, but that is a policy decision for the state. He said the state does have valid reliable assessments in English language arts and mathematics, both of which are based on the state standards. He said with respect to whether the state assessments are applicable to all students, the same question could be asked with respect to the Comprehensive Test of Basic Skills. He said any test is applicable to all school districts. He said the best assessing is always what the teachers do with their own students. He said this exposes teachers to different assessment tools. He said many teachers have said they never received adequate instruction in assessing students.

Mr. Gallagher said the state needs to move forward with comparable educational opportunities for all students and appropriate assessments.

In response to a question from Representative Delmore, Mr. Gallagher said English language arts and mathematics have been piloted and scaled up. He said the national assessment of education progress indicated that North Dakota is consistently No. 1 in virtually all areas. However, he said, North Dakota students perform at about 35 percent efficiency. He said North Dakota tests show the need for our teachers to take a look at their curriculum and instructional approaches.

In response to a question from Representative Haas, Mr. Gallagher said very little is said about what

a student should know between kindergarten through grade 12 and higher education. He said this lack of clarity of expectation results in 30 percent remedial education. He said teachers have indicated they feel they are deficient in skills.

Representative Haas said if the teacher is coming out of a four-year institution inadequately prepared, maybe teacher preparation programs need content standards.

In response to a question from Representative Hawken, Mr. Gallagher said four cycles of assessing were used in crafting the mathematics assessments in about 60 schools. He said they involved 10,000 students over the three grade levels.

Mr. Gallagher said the bill draft should be subject to the accreditation process rather than the approval process.

Ms. Nosek said her school district hired nine new teachers this year. She said she sat in on 35 to 40 interviews. She said only two or three indicated they had learned anything about standards and benchmarks in college. She said standards for our teacher programs may need to be addressed. She said many superintendents do not ask job candidates about standards because the superintendents know little about standards.

Mr. Michel Hillman, Vice Chancellor for Academic Affairs, North Dakota University System, said higher education strongly supports the implementation of state academic content standards. About a year ago, he said, the North Dakota University System provided a report based on information the American College Testing program compiled. He said the report ensures that every high school in the state knows how each of its graduates did in his or her first two years of university. He said he believes in formative assessments rather than high-stakes testing. He said standards education is being developed for the teacher education program. He said graduates will be much more knowledgeable about standards in the future.

Mr. Larry Klundt, Executive Director, North Dakota Council of Educational Leaders, said as a teacher he decided the Civil War was an important part of his teaching of United States history. He said he does not know whether his decision was a good one or not. He said standards-based education makes a great deal of sense to him. He said he is a proponent of standards-based education. He said he has had the opportunity to receive inservice training about standards. He said good decisions need to be made about what students should do and know; then teaching strategies should be developed, and then assessments should be made to determine if students were taught correctly. He said he thinks he would have been a better teacher had he understood the need for standards when he was in the classroom.

Mr. Klundt said North Dakota should go to standards-based education. He said a determination needs to be made whether the state should make the

decision or the local school district should make the decision regarding the implementation of standards-based education. He said both bill drafts are a state mandate of standards. The second one, he said, is a state mandate of assessments. He said there is an option of developing local standards, but the local standards must meet muster at the state level.

Mr. Klundt said authentic assessments of students' writing are labor-intensive and expensive. If authentic performance assessments are done, he said, they will be costly and expensive. He said the Comprehensive Test of Basic Skills or national assessment of education progress tests cannot be the sole determinant of how well students are doing. He said the bill draft requires publishing the results of the tests, but he questioned how the lengthy report that goes with each student undertaking an authentic performance assessment will be published. He said care needs to be taken so students are not "taught to the tests."

Mr. Klundt said content standards, performance standards, and assessments should be recommended but not mandated. If there is a sense of importance and urgency about how much students are learning and how well, he said, standards will happen. He said standards must be based on each school district's identified essential learnings. He said standards may not be the same from district to district. He said sound instruction practices that recognize individual learning styles must be ensured. He said teacher judgment is not to be ignored as a valid assessment.

Mr. Klundt said legislation must include an appropriation with adequate funds. He said it will probably cost a lot more than believed. He said the funding must be for professional development that is designed to help administrators, teachers, and parents understand standards-based education.

Mr. Klundt said emphasis must be given to teacher and administrator assessment literacy. He said there also need to be appropriate funds so the universities can continue to improve and provide the teachers with a basis in standards-based education. If anything less is done, he said, standards-based education will fare about as well as it has in other states. He suggested a pilot program be considered.

Mr. Max Laird, President, North Dakota Education Association, said standards-based education and knowing what children are learning are very important. He said this is an issue that needs to be addressed. He said there are only three states that have not yet addressed the issue of standards--North Dakota, Montana, and Iowa. He said Iowa elected to administer standards at the local level rather than at the state level.

Mr. Laird said teachers need to understand standards and the alignment of curricula before they can understand the assessment process. He said the question is whether the Department of Public Instruction will be charged with providing technical

assistance to all school districts so that this can be appropriately implemented or will be charged with being a regulator.

In response to a question from Representative Kelsch, Mr. Laird said improvement is being seen in those states that have implemented standards and assessments. Where the tests were high stakes, he said, the teaching became more aligned with test requirements. Representative Metcalf said a teacher will teach to the test if a teacher knows that the teacher will be graded based on how students do on the assessment.

Mr. Laird said the standards approach will do a much better job of ensuring teachers teach what is appropriate for the students, as opposed to what is preferred by the teachers.

Ms. Janet Welk, Executive Director, Education Standards and Practices Board, said the board has added a standard within teacher education standards to ensure that the students will be coming out with more knowledge about standards-based education.

Ms. Welk said we need to make a decision. She said we need to go forward with standards and assessments and improve our educational system. She said getting rid of our major-minor laws should never ever happen. She said if individuals who have graduated from teacher training colleges do not have a firm understanding of standards and assessments, how will people who do not have the teacher training background do in our classrooms?

In response to a question from Representative Hawken, Ms. Welk said instructors at the universities do not have to take any teacher training programs.

Ms. Nosek said several people have said curriculum is the domain of a local district. By the same token, she said, every fourth grader in this state should be taught a basic level of knowledge. If a district wants to go over and above that which is required by the state, she said, that is the district's prerogative. She said families move, and state standards would ensure that at least the basic levels are addressed at every school.

Ms. Nosek said there is nothing magical about 173 student contact days. She said if teachers take half a day to become better teachers, it will benefit the students.

Ms. Nosek said she has worked with the staff at the Department of Public Instruction during the last 10 years. When she first started working with the department, she said, there were specialists in the various disciplines. She said those people were happy to come out and help the districts. She said those specialists are not there anymore. She said the tasks are being heaped on people who are already spread too thin.

Ms. Nosek said the North Dakota standards are very general with respect to the gifted and talented students. She said one example of a standard is that the student will understand physical science. She

said this can be adapted to students of all learning abilities. She said gifted and talented students can go right off the charts in terms of how much can be learned about the physical sciences.

Mr. Gallagher said the committee should consider moving content standards and assessments from the approval process back to the accreditation process so standards and assessments become part of the school improvement process.

Senator Kelsh said looking at standards and assessments may be too much at once. He said he is not sure whether teachers have the ability or the resources to implement standards and assessments.

Representative Hawken said a school district would not be stopped from implementing its own standards and assessments if the bill draft is not recommended.

Representative Haas said he would prefer to see what happens with the Quality Schools Committee before a bill draft that involves assessments is recommended.

Representative Hawken said she met with superintendents from her area. She said their perception was that without assessments, the bill draft regarding standards will not go very far. She said, however, the superintendents are concerned about who would determine whether the local standards are equal to or better than the state standards.

Senator Kelsh questioned whether there is the ability to assess students properly. He said there may not be the money available to implement assessments. He said there is no sense in proposing something for which there is no money. He said he would support it if there were the willingness to put up the necessary money.

**It was moved by Senator Redlin, seconded by Senator Kelsh, and carried on a roll call vote that the bill draft relating to academic content standards be approved and recommended to the Legislative Council.** Senators Kelsh and Redlin and Representatives Delmore, Disrud, Grumbo, Haas, Hanson, Hawken, Kelsch, Metcalf, and Thoreson voted "aye." Senators Freborg and Cook and Representatives Boehm, Brusegaard, Drovdal, and Johnson voted "nay."

## **INCOME TAX INCREASE FOR TEACHER SALARIES**

At the request of Chairman Freborg, committee counsel summarized the bill draft relating to the imposition of a statewide income tax increase for the purpose of raising teacher salaries. She said this bill draft would raise the state income tax rate from 14 percent of federal income tax liability to 15.6 percent. She said this increase would generate approximately \$42.4 million during the biennium, which amounts to \$200 per student during each year of the biennium.

Committee counsel said the original draft provided that a school district could use the additional money only for the purpose of providing salary increases to teachers. At the request of the committee, she said, this bill draft was revised to provide that school boards be given specific authority to determine the manner in which the funds are distributed. She said the only constraint is that the money may not be used for any purpose other than increasing the salaries and benefits of licensed teachers.

Representative Hawken said her superintendents indicated there were too many holes in this bill draft.

In response to a question from Representative Drovdal, committee counsel said at a previous meeting the committee determined that the equalization factor should not be applied to the bill draft.

Senator Redlin said there is a constitutional provision to provide a free uniform education. He said local control is important. He said people should not be forced to develop efficiencies. He said the state needs to be concerned about the students in districts that do not develop efficiencies but choose to hang on a little bit longer. He said salaries are taking up the bulk of the money given to education. He said highly educated people are needed to teach at every step of education. Regardless of where they teach, he said, highly qualified teachers are needed. He said the problem of teacher salaries does not go away just because a tax increase is approved.

Representative Drovdal said there is nothing to be proud of the fact that North Dakota teachers are 48th or 50th in the nation. He said, however, if all that is done is to throw a blanket from the state level, districts are not being helped. He said many of the districts can raise their teacher salaries if they so choose. He said this bill draft will not solve the issue of teacher shortages.

Representative Metcalf said if this is not going to help the teacher shortage situation, what will. He said this bill draft could be used to fund some professional development activities.

**It was moved by Senator Redlin and seconded by Representative Metcalf that the bill draft relating to the imposition of a state income tax for the purpose of increasing teacher salaries be approved and recommended to the Legislative Council.** Senator Redlin and Representatives Delmore, Grumbo, and Metcalf voted "aye." Senators Freborg, Cook, and Kelsh and Representatives Boehm, Brusegaard, Disrud, Drovdal, Haas, Hanson, Hawken, Johnson, Kelsch, and Thoreson voted "nay."  
**The motion failed on a roll call vote.**

Representative Hawken said everybody on this committee would like to do something to provide more compensation to teachers. She said perhaps dollars that are already appropriated can be put to better use.

Senator Cook said there are other ideas and other plans. He said recently there was an article about a new pay plan that Cincinnati has implemented. He

said it allows teachers to climb up their salary schedules much faster and to increase salaries even in a time of declining money.

Senator Redlin said he hopes the climb for efficiency does not move into the realm of reducing the standards for teachers.

Senator Kelsh said it is hard to end this committee's study without a solution for education. He said he is going to have a hard time explaining to his school district how they are expected to function without additional dollars.

Mr. Decker presented testimony regarding the Dunseith Day School. He said the Dunseith Public School District is a school district within which there is a federal facility--the Dunseith Day School. He said federal facilities can reach agreements with school districts so the facilities educating students can access state funds. He said the Dunseith Public School District received \$417,000 in additional foundation aid on behalf of the Dunseith Day School. He said the Superintendent of Public Instruction treats this as if it is foundation aid for any other school. During October and November 1999, he said, the Superintendent of Public Instruction became aware of problems regarding the manner in which the Dunseith Day School was expending the foundation aid funds. He said in June 2000 the board of the Dunseith Public School District voted to return \$417,000 in foundation aid to the Superintendent of Public Instruction and void the board's agreement with the Dunseith Day School. He said an auditing firm is reviewing the records of the Day School and is finding a shortage of records. He said there is reason to believe that some of the funds were used improperly and the Attorney General's office is conducting a criminal investigation.

Mr. Decker said the Superintendent of Public Instruction will be seeking authority to write administrative rules that outline the content of such agreements. He said the Dunseith Public School District has hired a new superintendent, and there has been a significant turnover of the school board.

**It was moved by Representative Kelsch, seconded by Representative Drovdal, and carried on a voice vote that the chairman and staff of the Legislative Council be requested to prepare a report and the bill draft recommended by the committee and to present the report and the recommended bill draft to the Legislative Council.**

**It was moved by Representative Kelsch, seconded by Representative Drovdal, and carried on a voice vote that the meeting be adjourned sine die.** Chairman Freborg adjourned the committee sine die.

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L. Anita Thomas  
Committee Counsel

ATTACH:4