

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

EDUCATION COMMITTEE

Wednesday and Thursday, April 3-4, 2002
House Chamber, State Capitol
Bismarck, North Dakota

Senator Dwight Cook, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Dwight Cook, Tim Flakoll, Layton Freborg, Jerome Kelsh, David O'Connell; Representatives Larry Bellew, James Boehm, Thomas T. Brusegaard, Lois Delmore, C. B. Haas, Lyle Hanson, Bob Hunsakor, Dennis E. Johnson, RaeAnn G. Kelsch, Lisa Meier, David Monson, Phillip Mueller, Darrell D. Nottestad, Dorvan Solberg, Laurel Thoreson

Members absent: Senator Terry M. Wanzek; Representatives Howard Grumbo, Kathy Hawken

Others present: See Appendix A

It was moved by Senator O'Connell, seconded by Representative Kelsch, and carried on a voice vote that the minutes of the previous meeting be approved.

Chairman Cook recognized Mr. Raymond Lambert, State Fire Marshal. Mr. Lambert presented testimony regarding school fire inspections. A copy of his testimony is attached as Appendix B.

In response to a question from Senator O'Connell, Ms. Anita Decker, Director, School District Approval and Accreditation, Department of Public Instruction, said the August 15 deadline was the date suggested by the Attorney General's office.

In response to a question from Senator Cook, Ms. Decker said approval requirements must be met each school year.

Chairman Cook recognized Mr. Roger Slotsve, Superintendent, Willow City Public School District. Mr. Slotsve presented testimony regarding school fire inspections. He said the board of the Willow City School District has decided the 2002-03 school year will be the district's last year of operation. He said the State Fire Marshal's inspection was conducted just before Thanksgiving 2001. He said the report noted there were deficiencies and repeat deficiencies. He said in January 2002 the school board sent a letter of action to the State Fire Marshal. He said thereafter he heard on the radio that schools having violations would not be able to operate after August 15, 2002. He said the State Fire Marshal has agreed to the corrections, however. He said the oldest part of the building dates back to 1937. He said repairing the necessary deficiencies would cost \$22,000. He said

the school board is questioning the imminent danger status.

In response to a question from Senator O'Connell, Mr. Slotsve said the board of the Willow City School District has offered contracts to its teachers. He said the school will be open for one more year. He said if the board needs to make the expenditure, it will.

In response to a question from Representative Haas, Mr. Slotsve said some of the deficiencies were listed in a previous inspection report. He said the school board was not certain of how long it would continue operating the district. He said the board therefore did not want to make the financial expenditure.

In response to a question from Senator Cook, Mr. Slotsve said the previous school district superintendent had submitted a letter of action to the State Fire Marshal.

In response to a question from Senator Freborg, Ms. Decker said the Attorney General's office is providing advice to the Superintendent of Public Instruction. She said the Superintendent of Public Instruction does not have the option of ignoring statutory requirements. She said if the advice from the Attorney General's office changes, the Superintendent of Public Instruction and the department staff will do their best to work with the schools according to the new directive. She said dollars are available for targeting fire code violations in schools.

In response to a question from Representative Thoreson, Ms. Decker said the Superintendent of Public Instruction has never closed an unapproved school. She said if a school is not approved, the children who attend the school are in violation of the state's compulsory attendance law.

In response to a question from Representative Delmore, Mr. Lambert said the State Fire Marshal's office has six deputies who inspect schools. He said all have been working on school fire inspections. He said his office is now ready to start the compliance inspections.

In response to a question from Senator O'Connell, Mr. Lambert said it is the intention of the State Fire Marshal to make the full compliance inspections. He said he believes the office will be able to do that. He said it is not unreasonable for one deputy to inspect two to four schools per day.

In response to a question from Senator Cook, Mr. Lambert said he is not aware of any school board indicating that despite its best efforts, it will not be able to comply with an August 15 deadline.

Chairman Cook recognized Mr. Robert J. Stringer, Superintendent, Sykeston Public School District. Mr. Stringer presented testimony regarding school fire inspections. He said over the years the board of the Sykeston Public School District has worked with the State Fire Marshal. He said the board has developed a good working relationship with the State Fire Marshal. He said an early warning fire system is a major expense. He said the school board has received a grant to assist with the installation of such a system. He said the board received a number of bids before the news regarding school fire inspections came out in January 2002. He said a bid received after the news came out was about \$8,000 higher than bids received before that time. He said he is concerned that inspections done by designees may not be comparable to those conducted by the State Fire Marshal's office.

Chairman Cook recognized Mr. Michael Axt, President, McClusky Public School District Board. Mr. Axt presented testimony regarding school fire inspections. He said the McClusky Public School District is in the process of correcting its repeat deficiencies. He said he is concerned that when school begins this fall, there may still be some communication problems between the Superintendent of Public Instruction, the State Fire Marshal, and the individual school districts. He said school board members and superintendents are confused about the requirements in general and equally confused about why an item may be a requirement in one inspection but not in another.

Chairman Cook recognized Ms. Debby Marshall, Superintendent, Towner-Granville-Upham Public School District. Ms. Marshall presented testimony regarding school fire inspections. She said throughout its recent reorganization, Upham maintained a school that offered kindergarten through grade 6. She said in November 2001 the school board decided it would like to maintain a school in Upham. She said with the fire inspection report, the board was not certain whether it would have to close the school. She said next year the board will maintain a school that offers kindergarten through grade 3 in Upham. She said after working with the State Fire Marshal, the district will proceed with renovations.

Chairman Cook recognized Mr. Arden Haner, Max Public School District Board member. Mr. Haner presented testimony regarding school fire inspections. He said the Max school was built in 1960. He said the school met the fire codes in existence at the time it was built, and he cannot understand how the students are now in imminent danger.

Chairman Cook recognized Mr. Tom Decker, Director, School District Finance and Organization, Department of Public Instruction. Mr. Decker

presented testimony regarding school district reorganization. He said the equity problem is being seriously affected by demographics.

Mr. Decker said the 62-district plan is designed to consolidate school districts. He said the new school boards would determine which schools are needed. He said in Wyoming each school board operates an average of seven schools. He said in North Dakota each school board operates an average of two schools.

Mr. Decker distributed a document entitled *North Dakota Population Trends*. A copy of the document is attached as Appendix C. He said 6 of the 53 counties in the state showed an increase in population during the last 10 years.

Mr. Decker distributed a document entitled *Dissolutions, Reorganizations - 1990-2000*. A copy of the document is attached as Appendix D. He said most of the dissolutions in the past 10 years have involved relatively small portions of land.

Mr. Decker distributed a document entitled *Recommended Guidelines, Timelines, and Statutes Regarding School District Reorganization*. A copy of the document is attached as Appendix E. He said the basic reorganization process has been in existence for a number of years and has worked very well. He said the process generally takes 14 to 18 months. He said all reorganizations are effective on July 1. He said the committee may wish to examine the possibility of requiring an expedited reorganization process.

Mr. Decker distributed a document entitled *School District Reorganization Plan Workbook*. A copy of the document is attached as Appendix F. He said the workbook is designed to ensure that the statutory requirements for a reorganization plan are met and that the county committees and the State Board of Public School Education have the necessary information available to them.

In response to a question from Senator Freborg, Mr. Decker said the Department of Public Instruction was asked to provide the committee with a plan that resulted in 50 to 75 school districts. He said the 62-district plan and the 76- to 81-district plans are preliminary proposals that will allow the committee to discuss the implications of going from 222 districts to a smaller number. He said there is nothing magical about the number of districts proposed. However, he said, reducing the number of districts will have a very significant impact on equity.

In response to question from Senator Freborg, Mr. Decker said the terms administrative units and school districts have the same meaning. He said the units or school district boards can operate as many schools in as many places as desired.

In response to a question from Senator Freborg, Mr. Decker said if the current process of at-will reorganizations worked, national education experts would not be appearing before the committee and testifying that North Dakota is in serious jeopardy of a lawsuit based on equity.

In response to a question from Senator Freborg, Mr. Decker said the Superintendent of Public Instruction is trying to ensure that the legislators have viable alternatives that address, among other things, the very real threat of a lawsuit. He said legislators also need to address how best to use the state's resources.

In response to a question from Senator O'Connell, Mr. Decker said some school districts are participating in joint powers agreements. He said joint powers agreements can effectively address the equity situation. However, he said, the school districts participating in joint powers agreements would have to quickly reach a uniformity of mill levies and curriculum in order for the threat of a lawsuit based on equity to be lessened. He said joint powers agreements can provide districts with many of the benefits of regional service organizations. He said even if the number of school districts is reduced to 62 or 76 districts, not all of the districts will be able to access the services they need and they will have to find alternative delivery models in order to obtain those services that they cannot effectively provide for themselves.

Mr. Decker said approximately 170 school districts operate only one school. He said by 2007, there will be only 90,000 students in school in this state.

Mr. Decker distributed a document entitled *Consolidation Discussions*. A copy of the document is attached as Appendix G. He said the Litchville and Marion Public School District Boards are discussing reorganization options. He said if they reorganized, their combined high school enrollment would be 79 students. He said, at the very best, that is only a short-term solution.

Mr. Decker said some of the consolidation discussions are taking place in districts that have a large number of students through open enrollment. He distributed a document entitled *Open Enrollment 2001-02 School Year*. A copy of the document is attached as Appendix H. He said 55 students are open-enrolled out of Maple Valley and Oriska. He said the \$155,000 to \$200,000 that should be borne by Maple Valley and Oriska in order to educate those students is being shifted to the taxpayers in the neighboring school districts. He said if the residents of the Maple Valley and Oriska School Districts were picking up the cost of educating their students, as opposed to requiring another district to do it, they would have to raise their general fund levy by 20 mills.

Mr. Decker said a minimum size for a high school should be at least 160 students. He said that would allow for two sections in each grade. He said it would allow for an appropriate level of coursework and it would justify the employment of teachers. He said Hatton and Northwood would meet this size requirement. He said Fort Yates and Selfridge would benefit from adding at least one more school district to increase the number of students. He said the

Halliday and Killdeer reorganization would qualify for a reorganization bonus.

Mr. Decker said Glenburn, Lansford, Mohall, and Sherwood would need to maintain two kindergarten through grade 12 facilities for the long term. He said Anamoose, Drake, Goodrich, and McClusky are also talking about reorganization possibilities. However, he said, between the four districts, there are only 167 students in high school. He said when considering the decline in enrollments that is projected for the coming years, there is significant difficulty with sanctioning such a reorganization.

Mr. Decker said the Dodge and Golden Valley Public School Districts are cooperating, but they are not pursuing reorganization. He said the student numbers will make it difficult for many of the existing cooperatives to provide the necessary student services.

In response to a question from Senator Cook, Mr. Decker said as a general rule the bigger the difference in mill levy between districts discussing reorganization, the more difficult the discussions will be. He said the levy and the amount that a mill will raise are major concerns in discussions about equity.

Senator Cook said under the 62-district plan, Northwood and Hatton would include Central Valley and Thompson. He said the school districts of Glenburn, Lansford, Mohall, and Sherwood are having discussions about reorganization, but under the 62-district plan, only Lansford, Mohall, and Sherwood are included.

Mr. Decker said the 62-district plan is just a starting point. He said the 76- to 81-district plan provides considerably more flexibility. He said under the 62-district plan, the Legislative Assembly could give districts a period of time to make changes to the participating districts.

In response to a question from Representative Kelsch, Mr. Decker said in many cases districts have been allowed to continue operating until there are no more students or until they are out of money. He said this is not a good way to ensure a high level of education or a good use of resources. He said there is emotional turmoil in any reorganization. He said there would be no more or less in a reorganization that has long-term viability. He said in the long run the best investment of resources is in the achievement of long-term solutions.

In response to a question from Representative Brusegaard, Mr. Decker said the ability to provide courses and teachers qualified to teach in their course areas is a function of student numbers. He said even if a district operates multiple sites, the students would still have access to all the coursework that the district has available. He said while there is nothing wrong with Hatton and Northwood coming together, the governance structure could also accommodate the Thompson and Central Valley School Districts.

Mr. Decker said when school districts pursue joint powers agreements, one of the aspects that superintendents note is that they will have the ability to become specialists rather than generalists. He said one superintendent would not have to do everything. He said in a joint powers agreement one superintendent can become the title specialist, while another can take care of transportation or curriculum development.

In response to a question from Representative Mueller, Mr. Decker said there are a few places in the state which are outside the anchor districts suggested in the 76- to 81-district plan. He said there may be justification for adding additional districts.

In response to a question from Representative Mueller, Mr. Decker said the initial language regarding what happens if a school district does not meet its reorganization deadline is merely a suggestion at this point.

In response to a question from Senator Flakoll, Mr. Decker said there is no reason why some larger districts should not also look at obtaining benefits available through reorganization.

Senator Cook said combining Fargo and West Fargo might not affect equity greatly, but perhaps there are some efficiencies that could be achieved.

Senator Freborg said perhaps raising the academic standards for districts might be a better approach.

In response to a question from Senator Freborg, Mr. Decker said in the 1960s the Legislative Assembly funded transportation as an incentive for school districts to reorganize. He said the manner in which transportation is funded does not allow for efficiencies within the current scheme. He said a 62-district plan will not increase transportation spending. He said the districts will have better coordinated transportation systems.

Chairman Cook recognized Mr. Mitchell Lemer, Drake Public School District Board member. Mr. Lemer presented testimony regarding school district reorganization. He said the Drake School Board is opposed to both the 62-district and the 76- to 81-district plans. However, he said, the board does realize there are some concerns about the district. He said neither plan allows for local control. He said a one-size-fits-all plan does not necessarily work. He said the committee needs to look at transportation plans. He said because these plans will result in school closings, there must be consideration of how much time students will have to spend on buses. He said North Dakota is known for its values. He said people have moved to Drake from the East and West Coasts because of its values and because of its small schools. He said small school districts are looking for opportunities to reorganize. He said the larger schools are under no obligation to pursue reorganizations until they see what the state wants them to do.

Mr. Lemer said plans that local school boards develop should be given consideration by the

committee. He said small school districts cannot offer all the courses that larger school districts can. However, he said, small school districts can offer more opportunities for students to participate in extra-curricular activities and can offer more one-on-one time with students.

In response to a question from Representative Thoreson, Mr. Lemer said the Legislative Assembly does have a responsibility with respect to the provision of education, but the Legislative Assembly needs to look at and take advice from local school districts because it is the children who are going to be affected by whatever plan is implemented.

In response to a question from Representative Kelsch, Mr. Lemer said a district that included Anamoose, Drake, Goodrich, and McClusky would provide a one-hour maximum transportation time if the new district kept open three schools. He said up to this point there have not been discussions about which schools should be kept open.

Representative Kelsch said students should not ride a bus for longer than perhaps 45 to 60 minutes.

Representative Kelsch said the North Dakota Constitution authorizes the Legislative Assembly to redraw school district lines.

In response to a question from Representative Kelsch, Mr. Lemer said if the 62-district plan would include Anamoose, Drake, Goodrich, and McClusky as a single district, that would be perfectly fine with the Drake Public School District Board.

In response to a question from Representative Mueller, Mr. Lemer said the Legislative Assembly has to start listening more to what the residents of local school districts want. He said the residents are not opposed to looking at reorganization, but they are opposed to the way it is being forced on them.

In response to a question from Senator Cook, Mr. Lemer said Anamoose, Goodrich, and McClusky had community meetings and the residents were very supportive of reorganization. He said the people understand that the decline in student numbers is forcing them to do something.

Chairman Cook recognized Mr. Axt. Mr. Axt presented testimony regarding school district reorganization. He said he is concerned about the education of children in his district. He said he supports a plan for consolidating school districts in North Dakota. He said he realized a year ago that some drastic things will have to be done. He said schools can no longer be run with 30, 40, or 50 students. He said action by the Legislative Assembly is probably long overdue.

Mr. Axt said Drake, Anamoose, McClusky, and Goodrich are not property poor, but they do not have anything close to the earning potential of Bismarck's residents. He said he believes that a plan for Drake, Anamoose, McClusky, and Goodrich would probably pass a vote of the citizens in those communities. He said people need to understand that this is a new

century. He said he does not farm the way his father did because doing so is no longer efficient. He said the same is true of education.

Mr. Axt said school boards could look at having one superintendent run multiple school districts. He said it will be easier to consolidate schools of the same size. He said we need to keep pursuing school district reorganization.

In response to a question from Representative Brusegaard, Mr. Axt said in an administrative district one superintendent could work for several school boards and manage several school districts.

In response to a question from Representative Thoreson, Mr. Axt said local control used to be a big issue. He said people are starting to realize that there has to be more cooperation among school districts. He said the old policies and rivalries have to be removed in order to provide a good education. He said people are starting to understand that education is a priority, not a basketball team. He said not all students play ball.

In response to a question from Senator Cook, Mr. Decker said his job is to provide advice about optimal solutions, not to decide whether a school district reorganization should take place. He said if the Harvey School District would be in the unit, the end result would be more optimal in terms of the number of students and course offerings.

Chairman Cook recognized Ms. Fay Kopp, Deputy Executive Director, North Dakota Retirement and Investment Office. Ms. Kopp presented testimony regarding the retirement of school district superintendents. She distributed a document entitled *TFFR Retirement Eligibility - ND Administrators*. A copy of the document is attached as Appendix I.

Ms. Kopp said North Dakota school districts employ approximately 177 administrators. She said there are 159 active administrators and 18 retired administrators providing services to school districts. She said some of these individuals may be providing services to more than one district.

Ms. Kopp said of the 159 active administrators, 10 are assistant administrators. She said the average age is 51 with 20 years' service credit. She said 20 administrators were ready to retire on June 30, 2001. She said 10 more will be eligible to retire in 2002, 9 more in 2003, 7 more in 2004, 14 more in 2005, and nine more in 2006. She said 69 administrators are eligible to retire now or will be eligible to retire by 2006. She said 90 administrators will not be eligible to retire until after 2006.

In response to a question from Senator O'Connell, Ms. Kopp said the Teachers' Fund for Retirement Board does not intend to suggest legislation that would increase the multiplier. She said a reduction in the number of school districts and the number of school administrators is not likely to have a significant impact on the retirement fund.

Chairman Cook recognized Dr. David K. Larson, Director, Teacher Compensation, Department of Public Instruction. Dr. Larson presented testimony regarding teacher compensation. He distributed a document entitled *ND Legislative Education Committee Update of Teacher Compensation Reimbursements*. A copy of the document is attached as Appendix J. He said the amount left under the 2001 allocation for teacher compensation will be between .56 percent and 1.43 percent of the allocation.

Dr. Larson distributed a document entitled *Full-time for Both School Year 2000-01 and 2001-02 Licensed Staff (No Administrators) District Compensation Comparisons*. A copy of the document is attached as Appendix K. He said the average base salary for a teacher in this state is \$32,468 and the average total compensation is \$42,818. He said 21 districts are above the state average.

Dr. Larson distributed a document entitled *62 School District Proposal Compensation Comparison for 2000-01 and 2001-02 School Year Licensed Non-administrator Staff*. A copy of the document is attached as Appendix L.

Mr. Decker said the Legislative Assembly might wish to consider providing health care coverage for superintendents who are eligible to retire but not yet eligible for Medicare.

Mr. Decker distributed a document entitled *Average Annual Salary of Instructional Staff in Public Elementary and Secondary Schools*. A copy of the document is attached as Appendix M. He said North Dakota salaries have been falling further and further behind in national surveys since the 1930s. He said smaller districts have compressed salary schedules and their benefits are not as high. He said in the near future there will be a high rate of turnover among both teachers and administrators. He said the 21 districts that offer the highest salary levels will replace their retiring teachers with new teachers who are not as high on the pay scale. He said those districts will be able to use the dollars they save to further enhance teacher salaries. He said those districts will be very competitive for new teachers; whereas, many of the smaller districts will not be able to compete.

Mr. Decker said in the proposed reorganizations, teacher salaries would likely rise to the level of the highest district in the proposed reorganized district. He said this would very quickly address the issue of low teacher salaries in North Dakota.

Mr. Decker said in the 62-district plan, elementary schools can be provided wherever students need them. He said a separate administrative structure to run an elementary school is not needed. He said a 62-district plan or a similar plan will allow for a significant reallocation of dollars.

Mr. Decker distributed a document entitled *62 District Scenario*. A copy of the document is attached as Appendix N. He said it appears that \$21.9 million per year would be available for reallocation if the Legislative Assembly approved a 62-district

plan. He said it is also likely that the cost per student would be even lower.

In response to a question from Senator O'Connell, Mr. Decker said all of the districts in proposed District 29, other than Minot, are kindergarten through grade 8 districts. He said the most efficient districts are the large Class Bs.

Mr. Decker distributed a document entitled *School Finance Facts Data*. A copy of the document is attached as Appendix O. He said the 76 anchor districts now serve 86,570 students (82 percent) of the students. He said the remaining 146 school districts serve 18,647 students (18 percent). He said the final page of the document shows the acreage that does not fall within a 25-mile radius of the proposed districts' centers.

In response to a question from Senator Cook, Mr. Decker said it would be easier to use reservation boundaries as school district boundaries rather than continue the current scenario in which there might be five or six school districts having land on a reservation. He said there are separate money streams and administrative structures for reservation schools.

In response to a question from Representative Mueller, Mr. Decker said the bill drafts suggest changes in the administrative boundaries of school districts. He said that does not mean there cannot be multiple attendance sites within each district. He said the 76 anchor districts provide good coverage for North Dakota. He said the remaining land may be attached in whole or in part to the anchor districts under the 76- to 81-district plan.

In response to a question from Senator Flakoll, Mr. Decker said distance learning is important now and it will become even more important as the state's population continues to decline. He said it will be a part of providing education in all districts. He said technology can be managed more easily and more efficiently by 62 school districts than by 222 school districts.

In response to a question from Senator Flakoll, Mr. Decker said technology will never replace a good teacher having direct contact with a student. He said there are courses such as vocational courses which do not lend themselves well to distance learning.

Mr. Decker said there could be scenarios in which students attend smaller high schools four days a week and attend a larger center on the fifth day for special classes such as vocational classes.

Mr. Decker distributed a document entitled *Comparison of District and School Size by State*. A copy of the document is attached as Appendix P. He said North Dakota has 158 school districts under 300 students. He said South Dakota has 90 such districts. He said North Dakota has 2.4 attendance sites per school district. He said Wyoming has 7 and South Dakota has 4.2.

Mr. Decker said 54 school districts have a student to teacher ratio in the range of 16 to 20. He said 14 districts have student to teacher ratios higher than 20 and 155 districts have ratios under 16. He said the cost per student is about \$1,200 more for districts having a student to teacher ratio of less than 16. He said using these figures, the dollars available for cost reallocation appear to be about \$27 million per year.

Mr. Decker distributed a document entitled *76 Map Showing Additions*. A copy of the document is attached as Appendix Q. He said the map shows which districts have a city of 700 or more and those that are in the top 76 districts in terms of enrollments.

Mr. Decker said if the Legislative Assembly were to approve the reorganization of school districts into larger units, teacher salaries and presumably administrator salaries would increase. He said this alone will make North Dakota more competitive for teachers.

In response to a question from Senator Cook, Mr. Decker said if the Legislative Assembly were to endorse a 62-district plan, there would be certain efficiencies and those efficiencies would result in dollar savings. He said by reducing the number of school districts in this state, more could be achieved for the same level of appropriation.

Mr. Decker said if the Legislative Assembly were to endorse a 62-district plan, teacher salaries will increase significantly, in a way that does not take money out of the state formula.

Chairman Cook recognized Mr. Jerome Messer, President, Richardton-Taylor School Board. Mr. Messer presented testimony regarding school district reorganization. He said the two bill drafts have succeeded in getting people concerned. He said the Richardton-Taylor School District has 311 students. He said the Legislative Assembly needs to look not just at the population of the communities but also at the population of existing school districts. He said there may need to be more than five options for additional districts, as provided for in the 76- to 81-district plan.

Mr. Messer said school boards have already done a lot on their own. He said the Richardton-Taylor School Board has looked at a 5-year plan and a 10-year plan. He said the board has already approached surrounding school districts to see what can be done together. He said all districts have to contend with declining student numbers. He said the challenge for each district is to provide to its students an education that makes the students competitive with every other student in the state. He said the residents of the Richardton-Taylor School District would like to work with their neighboring communities rather than be mandated to join a particular unit. He said the problem with the 76- to 81-district plan is that it declares communities not having a population of 700 to be nonviable.

Chairman Cook recognized Ms. Robyn Jacobsen, Rocklake Public School District Board member. Ms. Jacobsen presented testimony regarding joint powers agreements. A copy of her testimony is attached as Appendix P. She said she is a representative of the Northeast Education Service Cooperative. She said there is a need for school districts to work together. She said she would prefer that rural school districts use joint powers agreements rather than consolidate. She said the purpose of a service cooperative is to increase the sharing of services among participating school districts and to better the educational offerings that participating school districts can provide to their children. She said board members and superintendents are concerned about the challenge of providing quality education given the declining student numbers.

Representative Kelsch said the lines in the 62-district plan are not drawn in stone. She said a concern she has with joint powers agreements is they may end up costing the school districts more money in the long run.

Ms. Jacobsen said school boards know that as instructors are retiring, it is becoming more difficult to recruit teachers. She said a joint powers agreement forces school districts to look at their own strengths and weaknesses and at the facilities and resources available in neighboring districts.

In response to a question from Representative Haas, Ms. Jacobsen said she sees the joint powers agreement as a tool to provide a quality education. She said districts are not looking at joint powers agreements as a way of pursuing reorganization. She said the sharing of instructors and classes allows districts to provide students with more choices.

In response to a question from Senator Cook, Ms. Jacobsen said each school district participating in a joint powers agreement negotiates its salaries individually. She said the joint powers agreement allows each school district to remain individual. As different projects come up, the school districts can opt in or opt out as their needs dictate. She said there are probably 10 or 11 superintendents representing the school districts in the joint powers agreement. She said there is a membership fee.

In response to a question from Senator Cook, Ms. Jacobsen said under the joint powers agreement, if one school district loses a core course instructor, the district could obtain the course through interactive means from another participating district.

Chairman Cook recognized Mr. Keith Rockeman, President, Bowline Butte Public School District. Mr. Rockeman presented testimony regarding school district reorganization. A copy of his testimony is attached as Appendix S.

Chairman Cook recognized Ms. Rose Ann Johnson, President, Fort Berthold Indian School Board Association. Ms. Johnson presented testimony regarding the association. She said reservation

schools provide bilingual classes. She said if the reservation schools are redistricted with nonreservation schools, she fears they will not be allowed to teach their languages. She said the school boards should make decisions regarding reorganization, not the state. She distributed a document entitled *Resolution of the Fort Berthold Indian School Boards Association of the Fort Berthold Reservation* and a brochure entitled *FBISBA - Fort Berthold Indian School Board Association*. Copies of each item are on file in the Legislative Council office.

Chairman Cook recognized Ms. Deb Schumacher, Fairmount Public School District Board member. Ms. Schumacher presented testimony regarding school district reorganization. She said small schools offer just as good an education as large schools. She said there are advantages and disadvantages to each size. She said in the Fairmount district the students have access to interactive television and to dual credit courses through the State School of Science. She said the school district participates in a variety of cooperatives. She said the board of the school district is not opposed to looking at ways in which it can provide students with a better education. She said the board is opposed, however, to mandated reorganization.

Ms. Schumacher said the interim committee should look at the long-term economic impact of the 62-district and 76- to 81-district plans. She presented to the committee a petition signed by North Dakota citizens who advocate local control in determining the future of public school districts. The petition is on file in the Legislative Council office.

In response to a question from Senator Cook, Ms. Schumacher said the Fairmount School Board has looked at the issue of declining students, but it has not yet come to any conclusion. She said realistically if the decline in population continues, rural North Dakota will have to consolidate schools. She said the superintendents of Hankinson and Fairmount have had some conversations regarding reorganization. She said Fairmount has a relatively new school that is paid for and it has excellent teachers and excellent programming.

In response to a question from Representative Delmore, Ms. Schumacher said when small rural public school districts are combined with a large urban public school district, the voting block in the urban center will have the ability to close the rural schools.

Representative Delmore said she believes the bill drafts before the committee will offer opportunities for the sharing of teachers and services. She said the bill drafts are not designed to close schools.

In response to a question from Representative Kelsch, Ms. Schumacher said she does not want reorganization. However, she said, if the Fairmount Public School District had to be reorganized, she would prefer that it be with districts such as Lidgerwood or Wyndmere. She said reorganization is best

accomplished with other small school districts having similar student numbers and similar numbers of residents.

In response to a question from Representative Nottestad, Ms. Schumacher said the Fairmount district has open enrollment both in and out. She said some of the enrollment out is based on early morning day care arrangements. She said Fairmount is trying to address that problem.

Chairman Cook recognized Ms. Kathleen Skroch, Vice President, Lidgerwood Public School District Board. Ms. Skroch presented testimony regarding school district reorganization. She said the Lidgerwood Public School District has 232 students in kindergarten through grade 12 and the school district shares many things within an area school consortium. She said she is proud of her school district. She said the district wants to provide the best possible education for its students. She said in a small school the students can participate in any activity they choose. She said the two bill drafts take local decisionmaking out of the education process. She said it may be time to shift some of the burden that is falling on local taxpayers by implementing a statewide income tax. She said if the Lidgerwood School would close, the teaching staff, the busdrivers, and the janitors would all leave the community and probably leave North Dakota. She said a rural education is equitable. She said the district may not offer everything Fargo does, but it offers alternatives. She said a school is the lifeblood of a rural community. She said when a school becomes part of another community, it loses its patronage. She said maybe the criteria should be a minimum number of students.

In response to a question from Senator Cook, Ms. Skroch said if there is only one child in a class, the board should look at the social opportunities that child might have. She said she hopes a school board would have the integrity to know when it is not offering appropriate educational opportunities.

Chairman Cook recognized Mr. Joe Porter, President, Edgeley Public School District Board. Mr. Porter presented testimony regarding school district reorganization. He said the school districts of Edgeley, Litchville, Marion, LaMoure, and Montpelier are working together. He said the bill drafts before the committee propose change in a way that is too radical and too fast. He said the bill drafts will not fix the inequities in property valuation. He said the committee should look at a sales tax for education. He said there are alternatives available to school districts.

In response to a question from Representative Mueller, Mr. Porter said the school districts he listed have sports cooperatives, a curriculum committee, and geographic commonality. He said a prior cooperative effort had failed. He said the 62-district plan did prompt some of their discussions.

Chairman Cook recognized Mr. Clair Fox, White Shield Public School District Board member. Mr. Fox presented testimony regarding school district reorganization. He said the White Shield School Board is opposed to both bill drafts because the drafts do not provide for local control and for the right to self-determination. He said if local communities are to grow, they must have their local education systems. He said the local people know what they need and should be allowed to continue determining what they need.

Chairman Cook recognized Mr. Dean Bard, North Dakota Small Organized Schools Association. Mr. Bard presented testimony regarding school district reorganization. He said North Dakota used to have over 4,000 school districts. He said there are now only 222 districts. He said this reduction was accomplished without any compulsive effort on the part of the Legislative Assembly. He said since the 62-district plan already draws the new school district lines, we do not need a process for approving a reorganization plan. He said these decisions are much better handled at the local level.

In response to a question from Senator Cook, Mr. Bard said local individuals are best equipped to make decisions about local organizations and events. He said such individuals make decisions based on the circumstances at the time. He said the North Dakota Constitution does not say anything about local control. He said the Legislative Assembly controls the system through appropriations.

In response to a question from Senator Cook, Mr. Bard said the people that live closest to the schools elect the school board members. He said if the local school board members are not doing what the people believe needs to be done, the people can vote out the board members. He said the people at the local level are looking out for the education of their children.

Chairman Cook recognized Mr. Randy Phelan, Vice Chairman, Three Affiliated Tribes. Mr. Phelan presented testimony regarding school district reorganization. A copy of his testimony is attached as Appendix T.

Chairman Cook recognized Mr. Neal Johnson, President, May-Port CG Public School District Board. Mr. Johnson presented testimony regarding school district reorganization. He said he would appreciate having some involvement as to the districts with which May-Port CG should work. He said the 62-district plan is providing everyone with a good starting place. He said the May-Port CG Public School District had a variety of struggles in its reorganization history, but the opportunities that it has been able to provide for its students have been great.

In response to a question from Representative Kelsch, Mr. Johnson said a number of the patrons do not understand that the creation of one school district does not require that there be only one school. He

said people need to understand that the result would be like Fargo or Bismarck, which are single districts but include multiple school sites. He said he is open to the 62-district plan, provided there are some opportunities to refine it.

Chairman Cook recognized Mr. Haner who presented testimony regarding school district reorganization. He said the interim committee needs to look at how to sustain a high-quality education for students. He said the Superintendent of Public Instruction needs to set the standards and then the Legislative Assembly needs to decide at what level to fund those standards. He said when the Douglas Public School District closed, commercial enterprises also closed and property valuations dropped. He said the township in which he lives serves as home to only seven families. He said four of those families have seven children in school.

Mr. Haner said equity will not happen. He said fair is not equitable and equitable is not fair. He said the children are the leaders of tomorrow. He said the Max Public School District has a general fund levy of 163 mills. He said as the distance that children must travel to school is increased, the attractiveness of a community decreases. He said if there is not a good school, businesses and families will not come.

Chairman Cook recognized Mr. Jacob Damm, President, East Fairview Elementary School District Board. Mr. Damm presented testimony regarding school district reorganization. A copy of his testimony is attached as Appendix U. He said the East Fairview Elementary School District is a kindergarten through grade 8 district. He said its problems have been solved by deciding to send high school students to school in Montana. He said that high school is eight blocks away.

Chairman Cook recessed the meeting until 9:00 a.m., Thursday, April 4, 2002.

At the request of Chairman Cook, committee counsel presented a background memorandum entitled *Safety, Efficiency, and Cost-Effectiveness of School District Transportation*.

In response to a question from Senator Cook, Mr. Decker said \$62 million is spent annually to provide school district transportation. He said the figure does not include extracurricular transportation expenses.

In response to a question from Senator Cook, Mr. Decker said several states have or are working on data envelopment analysis to create transportation routes and to fund transportation. He said transportation in rural North Dakota has always been a critical issue. He said the current transportation payment system does not encourage efficiency. He said data envelopment analysis is an option. He said another option would be to base transportation payments on sparsity and density. He said if the Legislative Assembly would put transportation aid into the foundation aid program, the Legislative Assembly would

also have to alter the current weighting categories. He said the current categories are not reflective of the costs incurred by some school districts in transporting their students.

In response to a question from Senator Cook, Mr. Decker said some work needs to be done to develop a data envelopment analysis. He said perhaps by the next meeting, the Superintendent of Public Instruction will be able to let the committee know whether personnel at the Department of Public Instruction will be able to develop the program.

Senator Freborg said given all the money that is spent on education, it only makes sense to fund the remaining \$50,000 for completion of the data envelopment program.

In response to a question from Senator Cook, Mr. Decker said the sparsity-density concept was discussed in the early 1990s. He said it could work well for both large and small districts. He said if the Legislative Assembly could develop a model of transportation payment that is based on sparsity-density, it would not need to continue data envelopment analysis. He said the current transportation reimbursement system requires a lot of paperwork. He said the sparsity-density concept would be a lot cleaner and simpler for school districts.

Chairman Cook said the Bismarck Public School District Board provided a letter. The letter is on file in the Legislative Council office.

Chairman Cook said Mr. Jon Kringen, Superintendent, Enderlin Public School District, provided a letter. The letter is on file in the Legislative Council office.

Chairman Cook recognized Ms. Sandy Clark, North Dakota Farm Bureau. She presented testimony regarding school district reorganization. A copy of her testimony is attached as Appendix V. She said the North Dakota Farm Bureau is not opposed to consolidation, but it is opposed to state-mandated consolidation. She said consolidation has taken place and will continue to take place.

Chairman Cook recognized Ms. Laurie Peplinson, Mantador. Ms. Peplinson presented testimony regarding school district reorganization. She said reorganization should remain a local decision. She said the local communities should be allowed to continue establishing the educational standards and requirements. She said the local school boards should do the research and planning necessary for providing education to their students. She said within five years the Mantador School will likely close. She said some families will send their children to Wyndmere and some will send their children to Hankinson.

In response to a question from Senator Cook, Ms. Peplinson said there are 19 children in the school. She said next year there will be 13.

Chairman Cook recognized Mr. Rockeman who presented testimony regarding school district reorganization. He said transportation is a major issue for his district. He said the district educates four

elementary students. He said nine students go to Watford City for junior high school and high school. He said those students average a 41-mile trip to school. He said the students travel 15 of those miles just to get to the schoolbus. He said he would like to invite the committee members to see the school district.

In response to a question from Senator Cook, Mr. Rockeman said the school district pays over \$16,000 per student for transportation each year. He said the district pays families about 30 cents per mile.

In response to a question from Representative Meier, Mr. Rockeman said the students are on the bus about an hour and they spend about half an hour getting to the bus.

Chairman Cook recognized Mr. Merrill Krueger, Superintendent, Wolford Public School District and Rolette Public School District. Mr. Krueger presented testimony regarding school district reorganization. He said during the last nine years he has served as a shared superintendent between the two school districts. He said the districts have worked very hard to curtail costs and to provide education to their children. He said the Rolette Public School District falls below the state average in terms of cost per student. He said the Rolette Public School District has never put pressure on him to close the school in Wolford. He said the people in Wolford want their school and they need their school. He said if plans are conceived by people other than by the public, the plans will not work. He said others do not know what school districts are doing together and whether such efforts are working.

In response to a question from Senator Cook, Mr. Krueger said the district will probably encounter personnel problems. He said the teachers are not covered by Social Security or health insurance.

In response to a question from Senator Cook, Mr. Krueger said if Wolford were to close, the land would be split among its districts.

Chairman Cook recognized Mr. Ron Groeber, Wolford Public School District Board member. Mr. Groeber presented testimony regarding school district reorganization. He said there are many opportunities that large schools can offer to students and there are many opportunities that small schools can offer to students. He distributed a letter from the Wolford Public School District Board. A copy of the letter is attached as Appendix W.

Chairman Cook recognized Mr. Richard Lehman, Superintendent, Selfridge Public School District. Mr. Lehman presented testimony regarding school district reorganization. He said without the addition of the Solen Public School District, a reorganization bonus will not be available. He said the Fort Yates Public School District would be the other partner. He said he has a daughter who is able to play basketball in Selfridge. He said if she were in the Fort Yates Public School District, she would not be able to play

basketball. He said her self-esteem would suffer. He said he would like to offer a horse management class to his students. He said most of the students live on ranches. He said he cannot do that because it is a video course taught by a teacher licensed in Utah. He said school districts now have computers, but they are not allowed to teach courses using the computers. He said if the 62-district plan becomes law, the Fort Yates Public School District will close the Selfridge School.

Senator Cook said the 62-district plan puts together Solen, Selfridge, and Fort Yates. He said the first thing that would happen is the districts would have to decide how to govern themselves. Mr. Lehman said if that is the case, he is in support of the 62-district plan.

Chairman Cook recognized Mr. Wayne Stanley, Principal, South Prairie School, Minot. Mr. Stanley presented testimony regarding school district reorganization. A copy of his testimony is attached as Appendix X. He said under the two proposed bill drafts, there will be a shifting of money from some taxpayers to other taxpayers. He said new money is not being created. He said the larger the district, the more administration is needed. He said South Prairie is next to Minot. He said South Prairie chose not to join in a joint powers agreement. He said there is nothing that requires a school district to stay in a joint powers agreement. He said school districts can start and stop whenever they wish. He said things do need to change in North Dakota. He said school districts have technology, but they do not have common class or school year schedules. He said if schools are going to offer dual credits and shared teachers and classes, the Legislative Assembly needs to coordinate high school and university schedules.

In response to a question from Senator Cook, Mr. Stanley said it would be more beneficial to have all schools start on the same date.

Chairman Cook said the Leeds Public School District Board provided a letter. The letter is on file in the Legislative Council office.

Chairman Cook recognized Mr. Mac Halcrow, Drayton. Mr. Halcrow presented testimony regarding school district reorganization. He said the best school his children ever attended was in Drayton. He said small schools have produced people who have attained incredible achievements in the state and in the nation. He said the Legislative Assembly should look at reducing the number of students in the bigger schools.

Mr. Halcrow said school district reorganization will require that mill levies rise. He said closing school districts will close some big, beautiful facilities. He said there is not a cohesive plan.

Mr. Halcrow said school district superintendents, school boards, and schoolteachers need to look at facilities, test scores, who goes on to colleges and

trade schools, and geography. He said what is needed most are children.

Chairman Cook recognized Mr. Tom Tracy, Superintendent, Kensal Public School District. Mr. Tracy presented testimony regarding school district reorganization. He said the Kensal Public School District has 80 children in kindergarten through grade 12. He said he had a petition in the lobby of the State Capitol yesterday. He said many of the people who attended the interim meeting signed the petition. He said the petition asks that the Legislative Assembly not close small schools. The petition is on file in the Legislative Council office.

Mr. Tracy said he is the school district superintendent, the counselor-designate, and he teaches North Dakota studies. He presented an additional petition from the Medina Public School District. The petition is on file in the Legislative Council office.

In response to a question from Senator Cook, Mr. Tracy said there is no problem that needs to be solved by the consolidation of school districts. Senator Cook said people need to stay focused on the issue. He said people need to be concerned about the filing of a lawsuit and about a declaration by the North Dakota Supreme Court that our system of funding education is unconstitutional. Mr. Tracy said there needs to be more study and more research before any action is taken.

Representative Kelsch said the Legislative Assembly is concerned about educational opportunities for students. She said the Legislative Assembly has an obligation to provide equal education opportunities to all students in North Dakota. She said she is concerned when superintendents talk about extracurricular activities and opportunities either ahead of or in place of academic opportunities.

In response to a question from Representative Kelsch, Mr. Tracy said most superintendents, teachers, parents, and patrons agree that students who are involved in extracurricular activities do better in school and do better academically.

In response to a question from Representative Nottestad, Mr. Tracy said the Kensal Public School District provides basketball, football, track, band, choir, an annual, a newspaper, and a student council.

In response to a question from Representative Kelsch, Mr. Tracy said if a lawsuit was filed in North Dakota, the parties would have to prove that there was harm to the students because of inequality in funding. He said the North Dakota Council of Educational Leaders hired a consultant to determine if a lawsuit was a reality. He said it was the conclusion of the consultant that there are no grounds for a lawsuit.

In response to a question from Senator Flakoll, Mr. Tracy said the Legislative Assembly has to be aware that the test results from a small population can fluctuate greatly. He said Kensal does well in math consistently but not consistently well in other areas. He said 12 years ago Kensal had 38 students and

now has 80 students. He said there is a lot of fluctuation because people move in and out of the district. He said often those people are on the lower end of the economic scale.

In response to a question from Senator Flakoll, Mr. Tracy said if students are falling through the cracks, it goes back to local control. He said people in those districts had better make changes. He said students in North Dakota receive a great education.

Chairman Cook recognized Mr. Jay Sandstrom, New Town Public School District Board member. Mr. Sandstrom presented testimony regarding school district reorganization. He said the state is hung up on being sued. He said the goal set in both bill drafts is too high to comprehend. He said once people get rid of the skepticism, they might not be so fearful. He said goalsetting is good, but the Legislative Assembly needs to set a more realistic goal.

Mr. Sandstrom said the bill drafts require school boards to make the reorganizations happen. He said the personal financial loss to school board members will be overwhelming. He said people will change when they understand what is in it for them. He said after looking at the proposed bill drafts, more people are willing to take their chances with a court.

Chairman Cook recognized Mr. Hy C. J. Schlieve, Superintendent, Ellendale Public School District. Mr. Schlieve said his board is not opposed to school district reorganization. He said reorganization and consolidation is inevitable as costs increase and resources decrease. He said the state has a process for reorganization. He said it is important that the local districts and their patrons have a say in the manner of reorganization.

Mr. Schlieve said there are 222 school districts but only about 40 elementary-only school districts. He said there are about 10 districts which operate only a high school and send their elementary students into a neighboring district. He said there are good things happening cooperatively. He said the elementary-only districts should be eliminated. He said there are probably 10 such districts within easy driving distance of Bismarck and Mandan.

Mr. Schlieve said the 62-district plan appears to equalize property value more than does the 76-district plan. He said there is no such thing as equity. He said equity comes down to the educational opportunities provided to children. He said quality is more important than quantity.

In response to a question from Senator Cook, Mr. Schlieve said the student population in Ellendale fluctuates greatly because of Trinity Bible College. He said the college has a large turnover in both student numbers and staff. He said over 3 percent of the students in the Ellendale School District are home-schooled. He said that makes a difference of about 5 percent in the district's test scores.

Mr. Schlieve said the best consolidation partner for the Ellendale School District would be the school district in Frederick, South Dakota.

Chairman Cook recognized Mr. Donald Schaible, Regent-Mott Public School District Board member. Mr. Schaible said Regent-Mott recently reorganized. He said it took a little over a year. He said the reorganization plan had to be sold to the residents of both districts. He said one of the challenges was to come up with a plan to equalize taxes. He said in any reorganization some residents will see their taxes go up and some will see their taxes go down. He said he is concerned that the bill drafts allow for a change in tax structure without a vote of the people.

Senator Cook said Section 3 of the 76-district plan bill draft references North Dakota Century Code Chapter 15.1-12, which provides for a vote of the people.

Chairman Cook recognized Mr. Jack Maus, Superintendent, Hatton Public School District. Mr. Maus said the proposed bill drafts have forced districts to look at their options. He said his concern is with federal and state mandates governing things such as standards and school improvement plans. He said declining enrollment and declining teachers are issues for all school districts. He said he does not necessarily agree with the 62-district plan, but it or a plan like it is needed in North Dakota. He said at the very least the Legislative Assembly needs to set dates and get the districts moving toward that which needs to be done. He said schools can increase their efficiencies by working together.

Mr. Maus said the Hatton and Northwood Public School Districts have not pursued reorganization as they should have because their reorganization would not qualify for a bonus.

In response to a question from Representative Mueller, Mr. Maus said 2006 and 2007 would be appropriate legislatively mandated reorganization dates. He said asking districts to look at five-year plans is not unreasonable. He said it would be helpful to define what a district should be.

In response to a question from Representative Kelsch, Mr. Maus said his district's test scores include the efforts of its special education students.

In response to a question from Senator Cook, Mr. Maus said without the reorganization bonus, reorganizations will not take place as quickly as they should.

Chairman Cook recognized Mr. David Heinrich, President, Montpelier Public School District Board. Mr. Heinrich said students must be educated and rural schools maintained. He said individuals who come out of small schools can and do succeed. He said the proposed bill drafts deal with square miles. He said economics is the wrong way to look at education. He said education needs to be funded at an adequate level to maintain the rural infrastructure.

In response to a question from Senator Cook, Mr. Heinrich said 17 percent of Montpelier students are open-enrolled to other districts. He said the probable reason for this is that they reside close to the borders of the district. He said the Montpelier Public School District has 108 students in kindergarten through grade 12. He said maybe the Montpelier Public School District needs to start specializing. He said perhaps the district could educate troubled students.

Chairman Cook recognized Mr. Dan Stewart, Roosevelt Public School District Board member. Mr. Stewart said education is important. He said school board members are good at knowing the pulse of their communities. He said the consolidation of farms and ranches is over in Grant County. He said he does not anticipate any dramatic changes in Grant County's population level in the coming year. He said the Roosevelt School Board has not spent a lot of time talking about the future. He said the board will deal with the situation when the time is appropriate.

Mr. Stewart said small schools can provide things that simply cannot be taught in the large schools. He said in Carson, you will hear "please" and "thank you" in the school. He said they are still teaching manners and the students are still listening.

In response to a question from Representative Brusegaard, Mr. Stewart said a major stumbling block to consolidation is requiring a school to give up its name. He said another stumbling block is not wanting to see students bused for 2 1/2 hours. He said there have been enough consolidations in the state from which people can learn. He said in some consolidations one district has taken the elementary school while another district takes the high school. He said school boards are being told to take good care of their gymnasiums because such factors impact whether they will remain open after a reorganization. He said school districts want to work together. He said 2006 is too soon to require any kind of school district consolidation. He said the committee should monitor the progress and the discussions in which districts are engaging. He said the Legislative Assembly should not impose a statutory deadline on school districts.

In response to a question from Representative Delmore, Mr. Stewart said technology will not replace a good teacher, but districts do not have any other choice. He said interactive telecommunications devices will be a part of education even if there is school district consolidation. He said small school districts can only afford to offer so many courses.

Chairman Cook recognized Mr. Brent Kary, President, Solen Public School District Board. Mr. Kary said there needs to be a better definition of the problem in order to come up with an appropriate solution.

In response to a question from Senator Cook, Mr. Kary said the Solen School Board made the motion to consolidate with the Fort Yates and

Selfridge Public School Districts. He said he is for consolidation, but he is concerned about forcing consolidation on Indian schools.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Representative Kelsch said there are inefficiencies in the school transportation system. She said there are opportunities for improvement. She said she wants to know what the effects would be on school districts if there are ride time requirements.

Senator Freborg said the data envelopment analysis model needs to be completed by the Superintendent of Public Instruction or the data envelopment analysis model needs to be funded.

It was moved by Senator Freborg, seconded by Representative Haas, and carried on a voice vote that the Legislative Council staff be requested to prepare a bill draft appropriating \$50,000 for completion of the data envelopment analysis model.

Representative Monson said the Legislative Assembly is trying to solve equity problems. He said it is a huge puzzle. He said he wants to pursue changes in the special education funding formula. He said there should be a mill deduction with a recapture provision for school districts that are levying or spending more than the state average. He said the committee should also look at weighting factors.

Representative Monson said the Walsh-Pembina area administrators meet monthly. He said they believe that there should be statutory changes which would allow Utah teachers to provide horse management courses. He said we need to look at our teacher training and licensing provisions.

Senator Freborg said many of the people who testified sounded the call for continued local control. He said the mill deduction needs to be increased until a point of equity is reached. He said there can be recapture provisions from districts that have low mill levies. He said that would allow for a redistribution of the difference between what the state believes each district should levy and what each district actually does levy.

Senator Freborg said a minimum educational standard that is applicable to each school in the state needs to be established. He said the \$200 per student penalty for nonaccreditation needs to be examined and a minimum number of credits for graduation should be considered.

Representative Monson said the foundation aid formula should require that all money be placed on the table. He said this should include impact aid and transportation dollars.

Representative Haas said several people have said leadership from the Legislative Assembly is long overdue. He said more people are willing to say this privately to legislators than are willing to stand up and say it publicly. He said both of the proposed bill drafts

were presented with the intent of beginning the debate.

It was moved by Representative Haas and seconded by Representative Kelsch that the committee continue to explore the possibility of reducing the number of school districts in the state, that the committee work with school district superintendents and school boards to determine what boundary changes should be made to the 62-district plan, and that the changes provide for reorganization with at least one existing district having 225 students or more in kindergarten through grade 12, that all school districts offer kindergarten through grade 12 services, that there be some level of protection for necessary elementary schools, and that school district personnel and school boards be required to establish long-term plans for their districts.

Senator Freborg said the committee has left people with the impression that it is considering a bill draft that would mandate the closure of schools. He said to alleviate that impression, the committee should no longer consider the 62-district bill draft.

Chairman Cook said although the committee has heard negative comments in testimony, a good many legislators have also received numerous positive comments from citizens regarding the proposed bill drafts.

Representative Solberg said the school boards and the taxpayers of this state are opposed to a legislative mandate. He said he is too. He said he cannot vote for the 62-district plan.

Representative Hanson said the federal testing requirements will result in a loss of federal funding to our school districts.

Representative Kelsch said looking at the arguments that have come before this committee, it appears that Representative Haas' motion would in fact ask school districts and school boards for their continued involvement. She said school boards and school district personnel should be asked for their ideas regarding what will work. She said many individuals have indicated that the time has come for state-level leadership. She said the debate has been worthwhile and effective. She said more focus needs to be placed on what to do for the children.

Representative Thoreson said the people who are running the show, the superintendents and the school boards, want more ownership of the process. He said part of that process was inviting them to examine the bill drafts and to propose alternatives. He said Representative Haas' motion is an extension of that. He said this should be pursued. He said the more information obtained, the better a decision will be.

Representative Mueller said the testimony heard was not an endorsement of either bill draft. He said a sizable number of people are comfortable with the concept of moving ahead. He said there are concerns about mandates and about timelines. He

said without timelines, this will be an exercise in futility. He said maybe it is time to look at a minimum number of kindergarten through grade 12 students per school district. He said serious thought should be given to requiring all land to be in a high school district.

Representative Haas said the purpose of his motion was to keep the dialogue going on this issue.

Representative Monson said this is being perceived as a mandate regardless of whether it is on the number of districts or the size of districts.

Senator Cook said people tend to lose sight of what is right for the children. He said in 1997 the Legislative Assembly appropriated \$1.2 billion for the education of 118,000 students. He said in 2001 the Legislative Assembly appropriated \$1.5 billion for the education of 105,000 students.

Senator Flakoll said the 62-district plan seems like an arranged marriage. He said the 76- to 81-district plan may be a better vehicle for keeping the discussion open.

In response to a question from Representative Kelsch, Representative Haas said legislators, school boards, and school district superintendents need to continue focusing on how education will be provided in the next 10 to 15 years.

It was moved by Senator Freborg and seconded by Representative Boehm that the previous motion be amended to require that its provisions be limited to the 76- to 81-district plan. Senator Freborg said the 76- to 81-district plan is closer to what people are saying they wish to have. Representative Kelsch said the motion by Representative Haas is nothing more than a motion to continue the dialogue.

Representative Haas moved to amend the motion to amend so that comments can be made on the 62-district plan and the 76- to 81-district plan. Representative Haas said the two bill drafts are simply the basis for framing the discussion. He said they are ideas and both should be under consideration.

Representative Thoreson said he cannot support the motion.

Chairman Cook declared the motion to amend the motion to amend is out of order.

The motion by Senator Freborg to amend the motion failed on a voice vote.

The motion to continue exploring the possibility of reducing the number of school districts carried on a voice vote.

It was moved by Representative Kelsch, seconded by Representative Delmore, and carried on a roll call vote that the Legislative Council staff be requested to prepare a bill draft to provide for the reorganization of school districts with at least one existing district having 225 students or more in kindergarten through grade 12, that all school districts offer kindergarten through grade 12 services, that there be a level of protection for necessary elementary schools, and that school district personnel and school boards be required to establish long-term plans for their districts.

Senator Cook and Representatives Brusegaard, Delmore, Haas, Kelsch, Meier, Mueller, Nottestad, and Thoreson voted "aye." Senators Flakoll and Freborg and Representatives Hanson, Johnson, Monson, and Solberg voted "nay."

It was moved by Representative Brusegaard, seconded by Representative Kelsch, and carried on a voice vote that the bill drafts providing for a 62-district plan and a 76- to 81-district plan be laid on the table.

Chairman Cook requested Senator Freborg and Representative Monson to work with the Legislative Council staff and personnel from the Department of Public Instruction with respect to the requested bill drafts.

Representative Kelsch said personnel from the Department of Public Instruction will provide additional information regarding the reworking of the foundation aid formula to the committee at its next meeting.

No further business appearing, Chairman Cook adjourned the meeting at 4:00 p.m.

L. Anita Thomas
Committee Counsel

ATTACH:24