

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### EDUCATION COMMITTEE

Monday, October 20, 2003  
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 Cook, Robert S. Erbele, Tim Flakoll, Gary A. Lee; Representatives Merle Boucher, Lois Delmore, Pat Galvin, C. B. Haas, Lyle Hanson, Gil Herbel, Bob Hunsakor, Dennis Johnson, Lisa Meier, David Monson, Phillip Mueller, Jon O. Nelson, Mike Norland, Margaret Sitte, Clark Williams

**Members absent:** Representatives Thomas Brusegaard, Kathy Hawken, RaeAnn G. Kelsch

**Others present:** See Appendix A

At the request of Chairman Freborg, Mr. John D. Olsrud, Director, Legislative Council, presented the *Supplementary Rules of Operation and Procedure of the North Dakota Legislative Council*.

At the request of Chairman Freborg, committee counsel presented a background memorandum entitled *Educational Equity and Future Educational Delivery*.

At the request of Chairman Freborg, Dr. Robert Palaich, Augenblick, Palaich, and Associates, Inc., presented testimony regarding the education adequacy study. His testimony is attached as Appendix B. Dr. Palaich said in 2003 the Superintendent of Public Instruction contracted with Augenblick, Palaich, and Associates, Inc., to determine the resources that would be needed to help all students reach state-established and nationally reinforced academic standards.

In response to a question from Representative Herbel, Dr. Palaich said North Dakota's special education student numbers are fairly consistent state-wide. He said they are in the 10 to 11 percent range. He said on a per district basis, however, the numbers can move significantly. He said this can occur if one district has a severely disabled student and another does not.

Representative Haas said the current educational delivery system could skew the whole study. He said there comes a point at which one has to look at restructuring the governance and delivery system before one can look at reworking the financing mechanism.

In response to a question from Representative Haas, Dr. Palaich said the education adequacy study used educators to determine the costs. He said if

there were different individuals involved in the study, there might be different assumptions as to efficiencies and consequently a different outcome and recommendation. He said technology together with a series of other strategies could change both the governance and the delivery structure. He said increasing efficiency could also come from changes in the payment structure. He said the education adequacy study looks at providing the services within the existing school district structure. He said technology investment and other delivery changes were not taken into account. He said the problem is that those changes do not adequately describe the situation in the next year, but perhaps do describe the situation in five years.

Representative Haas said he wonders if it would be possible to construct a hypothetical delivery system and then determine how much education would cost within that system. Dr. Palaich said that could be done.

In response to a question from Senator Flakoll, Dr. Palaich said Augenblick, Palaich, and Associates, Inc., has been involved in all of the state studies referred to except Wisconsin. He said all of the studies found that in order to meet the standards that had been put in place in the individual states, more money would be needed.

In response to a question from Senator Flakoll, Dr. Palaich said it is very difficult to statistically estimate the resources that are needed for kindergarten through grade 12 education. He said class size can be reduced. However, he said, unless good teaching goes along with the class size reduction, class size reduction on its own will not impact student learning.

In response to a question from Senator Flakoll, Dr. Palaich said North Dakota has schools that are meeting the state proficiency standards at the fourth grade level but not at the high school level. He said the question is how one gets the next set of students over the bar. He said the standards require that we get every student over the bar.

In response to a question from Senator Flakoll, Dr. Palaich said the recommendation for \$200 million in additional education funding is per year, not per biennium.

Senator Flakoll said that is an additional \$800 per taxpayer. He said North Dakotans already average \$473 per person.

Dr. Palaich said if there were a plan on the table and the Legislative Assembly was working toward funding it, North Dakota would be in pretty good shape as far as the courts are concerned.

In response to a question from Senator Flakoll, Dr. Palaich said a plan about how to move forward should be the very least that North Dakota undertakes. He said this would at least require people to articulate a goal and provide them with some sense of how to achieve that goal.

In response to a question from Representative Monson, Dr. Palaich said there are other states that would have to generate a greater percentage of dollars than this study shows North Dakota would have to generate. He said things such as technology could help, as could instructional strategies and professional development strategies. He said those are all incremental things that could be done to help North Dakota move forward.

In response to a question from Senator Cook, Dr. Palaich said North Dakota uses advanced, proficient, partially proficient, and novice as the achievement goals within the standards. He said other states have elected to combine partially proficient and proficient in order to make it look as if more students are better off.

In response to a question from Representative Boucher, Dr. Palaich said in reading and mathematics not enough students are going as far as they should. He said the number of students completing high school and going on to postsecondary education is very good. He said the conversation is not about the students who are going to college, it is about those students who are not doing so well against the standards set by North Dakotans. He said reading achievement is actually reasonable in the fourth grade. He said that is not the case in grades 8 and 12. He said the mathematics results do not begin at a level that is even close to the reading results.

Representative Boucher said he wonders where the strategy is that will take us to where we want to be. Dr. Palaich said there are several strategies for reading. He said there are now much clearer strategies to help students read better. He said mathematics is less organized than reading.

Dr. Palaich said North Dakota could refuse the federal funds or lower the state standards and inflate student achievement. He said those are not traditional North Dakota responses.

Dr. Palaich said the study included a look at the goals required by the No Child Left Behind Act and what it would take to achieve those goals.

Dr. Palaich said the document entitled *An Estimation of the Total Cost of Implementing the Results of the School Finance Adequacy Study Undertaken By Augenblick, Palaich, and Associates, Inc.*, includes the special education data for each of the

kindergarten through grade 12 districts. The document is on file in the Legislative Council office.

In response to a question from Senator Cook, Dr. Palaich said the nature and scope of the vocational education system was included in the panel discussions regarding what should be funded.

In response to a question from Senator Cook, Dr. Palaich said if the Legislative Assembly would generate a plan based on the study, the state would be in a reasonable position in the event of court challenges. He said the study does not include facilities and that is another area in which an adequacy charge could be filed.

In response to a question from Representative Williams, Dr. Palaich said it would be very important to get help regarding how money should be spent to meet the goals. He said there is no single answer regarding how best to teach mathematics. He said legislators need to determine whether they are going to pick the method or whether they are going to set the policy and the goals and allow school districts to determine how best to meet those goals.

In response to a question from Representative Boucher, Dr. Palaich said we can no longer make and use excuses for students who do not do well. He said we cannot say that students did not achieve what they should have simply because they come from a poor family or because they are not Caucasian.

In response to a question from Representative Herbel, Dr. Palaich said if education were funded at the recommended level, school districts would not have any excuse for failing to educate their students.

In response to a question from Representative Mueller, Dr. Palaich said one aspect to the discussion is how the Legislative Assembly accounts for local contributions as it determines an appropriate level of funding for education.

In response to a question from Senator Freborg, Dr. Palaich said when the panels were told to anticipate what it would take to meet standards, they were told to aim for the 2013-14 standard, which requires that 95 percent of all students must be at or above proficiency.

In response to a question from Representative Haas, Dr. Palaich said another step in the process would involve how the funding is to be distributed and what kind of equalization formula should be used.

In response to a question from Representative Herbel, Dr. Palaich said some states like Texas use a recapture provision to deal with the high-spending districts.

In response to a question from Representative Herbel, Dr. Palaich said one size does not fit all school districts. He said a state has to be careful that it does not get into the situation of overprescribing for some districts and underprescribing for others.

At the request of Chairman Freborg, committee counsel presented a background memorandum entitled *School District of Residence Determinations*.

At the request of Chairman Freborg, Mr. Tom Decker, Director, School Finance and Organization, Department of Public Instruction, presented testimony regarding student demographics. His testimony is attached as Appendix C. He said in 1984 there were 11,833 births in the state. He said in 2002 there were 7,755. He said about one-third of the counties are experiencing fewer than 25 births per year.

Mr. Decker distributed a document entitled *North Dakota School District Census*. The document is attached as Appendix D. He said there continues to be about a 3 percent drop per year in the 0 to 5 age category. He said in 1999 there were 159,333 students in the 0 to 17 age group and in 2003 that number fell to 142,312.

Mr. Decker distributed a document entitled *Current Fall Enrollments*. The document is attached as Appendix E. He said while there are still some minor adjustments being made, it appears there are 1,945 fewer students in the state than during the previous year.

In response to a question from Senator Freborg, Mr. Decker said the projections are available through 2008-09.

In response to a question from Senator Lee, Mr. Decker said North Dakota has 213 school districts. He said 211 of them are operating. He said we are down about 100 districts from the early 1990s.

At the request of Chairman Freborg, Mr. Stephen Hiebert, Research Analyst, Management Information Systems, Department of Public Instruction, presented testimony regarding the ratio between public school employees and students. He distributed a document entitled *Public School Employee FTEs and Students*. The document is attached as Appendix F. He said student enrollment was 117,816 during 1997 and there were 13,188.95 employees. He said in 2003 there were 103,013 students and 13,811.23 employees.

In response to a question from Representative Nelson, Mr. Hiebert said private schools are also experiencing declining enrollments but not as rapidly as the public schools.

In response to a question from Representative Delmore, Mr. Hiebert said in 1997 there were 8,476.72 FTE teachers and in 2003 there were 8,740.66 FTE teachers.

In response to a question from Representative Herbel, Mr. Hiebert said even nonlicensed FTE teachers have been increasing between 1997 and 2003. He said the number of students served per FTE is much higher in the senior high schools than in the elementary schools, but there are declines in all schools.

In response to a question from Senator Flakoll, Mr. Hiebert said the largest growth in school district employees took place between 1997 and 2000. He said the trend seems to have leveled off right now.

Senator Flakoll said he thought there was data showing that about \$50 million would have been saved had the student/employee ratio remained where it was in 1997.

At the request of Chairman Freborg, committee counsel presented a background memorandum entitled *School District Data Collection and Reporting Requirements*.

At the request of Chairman Freborg, Dr. David Larson, Management Information Systems, Department of Public Instruction, presented testimony regarding school district data collection. His testimony is attached as Appendix G. He said statutes at both the state and federal levels often require reporting to assure legislators that an agency is complying with their wishes. However, he said, those statutes often result in burdensome due dates and reporting requirements. He said those laws have often hindered the ability of the Superintendent of Public Instruction to deploy technology in a way that could merge data collections, reduce district reporting requirements, and focus on performance.

Dr. Larson said the United States Department of Education is currently looking at data collection and reporting requirements. He said the United States Department of Education has determined that we need to increase our focus on outcomes and accountability, rather than on process. He said we need to streamline data collection and we need to eliminate redundancy. He said we need to improve accuracy, timeliness, and the utility of the information. He said if one entity collects birth data by day, month, and year and another entity collects birth data by month, day, and year, technology does not allow the information to be consolidated. He said the United States Department of Education has established a timeline within which states must make changes in their data reporting procedures. He said the Department of Public Instruction is cooperating with the United States Department of Education and it is hoped that the processes will be streamlined with the result that accuracy, timeliness, and utility will be improved.

Chairman Freborg adjourned the meeting at 2:30 p.m.

---

L. Anita Thomas  
Committee Counsel

ATTACH:7