

**1999 HOUSE EDUCATION
HB 1254**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1254

House Education Committee

Conference Committee

Hearing Date 1-25-99

Tape Number	Side A	Side B	Meter #
#1	x		39.1 to end
#1		x	0.9 to 5.6
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:

Those present Chairman R. Kelsch , Vice-Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep. Haas , Rep. Johnson , Rep. Nelson , Rep. Nottestad , Rep. L. Thoreson , Rep. Grumbo , Rep. Hanson , Rep. Lundgren , Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R. Kelsch : Open the hearing on HB 1254 and ask the clerk to read the title.

Rep Hoffner: Cosponsor of bill HB 1254. HB 1254 represents a 60 per cent funding level. We are just above the 40 per cent now.

Rep. Nelson : Looking at the fiscal note, it is over 200.5 million dollars. How do you suggest we pay for this?

Hoffner: The floor leader would sign on, on tax bills and the bill would pass, I don't know why that wouldn't work now.

Rep. Nelson : You feel that there is fluff in the current budget?

Hoffner: As we move through the session, we feel that we need to do more in this area, that we could move in that direction.

Rep Brusegaard : In raising taxes, do you feel we have the public support?

Hoffner: In a state wide survey, property taxes are too high and the funding for schools is too low.

Rep. L. Thoreson : What kind of taxes are you talking about?

Hoffner: I can't say, but the two most likely sources would be income and sale tax.

Rep. Nowatzki : As cosponsor of HB 1254, I think it is important for this assembly to discuss the whole area of state support for elementary and secondary education and how we are going to pay for it.

Rep Brusegaard : Do you know how much increase in the state would take to make up the 200 million.

Rep. Nottestad : No, I don't have the per cent age in front of me.

Rep. Mueller : There is a study going on now that is a 3 per cent increase which would be 81 million per year.

Rep. Nottestad : I'm not saying we should take it all from the income tax.

Ron Torgeson: From the North Dakota Council of Education Leaders. Appeared in favor of HB 1254.

Nancy Sand: Representing NDEA and appeared in support of HB 1254.

Jim Menak: Coordinator for the Commission of the Future of Agriculture. The commission is in support of education and property tax relief.

Deb Neilson: North Dakota School Board Association. They are neutral on this bill.

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Chairman R. Kelsch : Anyone else wishing to be heard in opposition. Hearing none. Close the hearing on HB 1254.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1254-2-9-99

House Education Committee

Conference Committee

Hearing Date 1-27-99

Tape Number	Side A	Side B	Meter #
Tape #3	x		4.1 to 13.0
Committee Clerk Signature <i>Joan Davis</i>			

Minutes:

COMMITTEE ACTION

Those present and voting Chairman R. Kelsch , Vice-Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep. Haas , Rep. Johnson , Rep. Nelson , Rep. Nottestad , Rep. L. Thoreson , Rep. Grumbo , Rep. Lundgren , Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R. Kelsch : What are the wishes of the committee on HB 1254?

Vice-Chair Drovdal : Move a Do Not Pass.

Rep. Nelson : Second.

Chairman R. Kelsch : discussion. Ask the clerk to call the roll.

9 Yes, 5 No 1 Absent - motion of DO NOT PASS passes Floor assignment Rep Brusegaard .

Chairman R. Kelsch : Close the hearing on HB 1254.

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: HB 1254

Amendment to: _____

Requested by Legislative Council

Date of Request: 01-13-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill changes the base payment amount for foundation aid to \$2,930 for the first year and \$3,110 for the second year of the 1999-2001 biennium. Under the executive recommendation, \$475.9 million dollars was appropriated with payment rates established at \$2,129 and \$2,221 to distribute that amount of funding.

Increasing the rates to the amounts identified in this bill will require \$676.4. The fiscal impact of this bill is estimated at \$200.5 million dollars (\$676.4M - \$475.9M).

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds
Revenues:			200,500,000		200,500,000	

Expenditures:

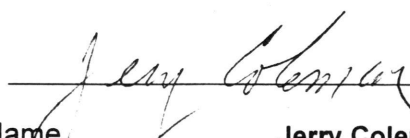
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a.	For rest of 1997-99 biennium: _____		
b.	For the 1999-2001 biennium: _____	200,500,000	
c.	For the 2001-03 biennium: _____	200,500,000	

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					200,500,000			200,500,000

If additional space is needed, attach a supplemental sheet

Signed 

Typed Name Jerry Coleman

Date Prepared: 01-13-99

Department ND Dept of Public Instruction

Phone Number _____

Date: 1-27-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1254

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep Drovdal Seconded By Rep Nelson

Representatives	Yes	No	Representatives	Yes	No
Rep. ReaAnn Kelsch-Chairperson	✓		Rep. Dorvan Solberg		✓
Rep. David Drovdal-Vice Chair	✓				
Rep. Michael D. Brandenburg	✓				
Rep. Thomas T. Brusegaard	✓				
Rep. C. B. Haas	✓				
Rep. Dennis E. Johnson	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				
Rep. Howard Grumbo		✓			
Rep. Lyle Hanson					
Rep. Deb Lundgren		✓			
Rep. Phillip Mueller		✓			
Rep. Robert E. Nowatzki		✓			

Total (Yes) 9 No 5

Absent 1

Floor Assignment Rep Brusegaard

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 28, 1999 9:15 a.m.

Module No: HR-18-1344
Carrier: Brusegaard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1254: Education Committee (Rep. R. Kelsch, Chairman) recommends DO NOT PASS
(9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1254 was placed on the
Eleventh order on the calendar.

1999 TESTIMONY

HB 1254

Historical Per Pupil Expenditure, Pupil Payment, Tuition Apportionment and Mill Deduct Data.

School Year	Actual Per Pupil Expenditures	Statutory Per Pupil Payment	Actual Per Pupil Payment	Tuition Apportionment	Actual Per Pupil Payment and Tuition		Local Share Mill Levy Deduct	Taxable Value	ADM	Mill Deduct/ADM	Net Per Pupil and Tuition Apportionment	Net Percent from Pupil and Tuition
					Pupil Payment	Tuition						
1973-74	831	540	540	31	571	0.020	658,235,947	138,076	(92)	479	58%	
1974-75	938	540	540	42	582	0.020	671,209,499	133,625	(99)	483	52%	
1975-76	1,097	640	640	38	678	0.020	714,225,794	132,737	(101)	577	53%	
1976-77	1,212	690	690	47	737	0.020	735,673,642	130,121	(110)	627	52%	
1977-78	1,376	775	775	47	822	0.020	775,281,443	126,254	(117)	705	51%	
1978-79	1,544	850	850	53	903	0.020	803,767,456	122,126	(127)	776	50%	
1979-80	1,741	903	903	80	983	0.020	830,442,532	118,574	(136)	847	49%	
1980-81	1,957	970	970	106	1,076	0.020	869,904,028	117,313	(142)	934	48%	
1981-82	2,392	1,425	1,425	98	1,523	0.020	917,920,637	117,185	(148)	1,375	57%	
1982-83	2,477	1,591	1,553	158	1,511	0.020	938,686,969	117,320	(156)	1,355	55%	
1983-84	2,577	1,400	1,400	176	1,576	0.020	951,779,114	117,444	(160)	1,416	55%	
1984-85	2,851	1,350	1,350	202	1,552	0.020	998,380,663	118,090	(161)	1,391	49%	
1985-86	2,960	1,425	1,425	209	1,634	0.020	980,108,754	118,024	(169)	1,465	49%	
1986-87	2,949	1,455	1,367	216	1,583	0.020	976,761,047	117,981	(166)	1,417	48%	
1987-88	3,041	1,400	1,400	215	1,615	0.020	973,962,097	118,376	(165)	1,450	48%	
1988-89	3,213	1,412	1,385	206	1,591	0.020	962,760,380	118,536	(164)	1,427	44%	
1989-90	3,427	1,525	1,411	199	1,610	0.021	962,760,380	118,097	(171)	1,439	42%	
1990-91	3,425	1,540	1,480	198	1,678	0.022	956,278,185	118,883	(178)	1,500	44%	
1991-92	3,676	1,552	1,552	197	1,749	0.022	943,144,462	119,509	(176)	1,573	43%	
1992-93	3,701	1,608	1,547	198	1,745	0.022	941,390,009	119,955	(173)	1,572	42%	
1993-94	3,772	1,570	1,570	198	1,768	0.023	958,547,588	120,411	(180)	1,588	42%	
1994-95	3,850	1,636	1,682	198	1,880	0.024	995,155,293	120,440	(191)	1,689	44%	
1995-96	4,016	1,757	1,757	207	1,964	0.028	1,030,810,153	120,538	(231)	1,732	43%	
1996-97	4,223	1,862	1,862	209	2,071	0.032	1,107,165,252	119,895	(275)	1,796	43%	
1997-98		1,954				0.032	1,148,999,564					
1998-99		2,032				0.032						

The schedule shows the relationship of net state per pupil aid (base student payment plus tuition apportionment minus the mill deduct per student) to the total cost of education per pupil. It does not consider all state aid for schools (e.g., transportation, summer school or special education).

Source: Summary of Facts; School Finance Facts, the North Dakota Century Code and Session Law

Actual Per Pupil Expenditures - Includes regular, federal, special education, vocational education, administration and plant operation costs divided by total average daily membership (finance ADM - 120,538 for 1995-96). This is the standard educational cost per student calculation.

Statutory Per Pupil Payment - The per student payment rate specified in the North Dakota Century Code 15-40.1-06.

Actual Per Pupil Payment - The actual per student payment rate made for the school year (foundation aid is paid on weighted pupil units - 122,612 for 1995-96).

Tuition Apportionment - The payment rate used to distribute tuition apportionment funds (6-17 public and private school age census is the basis for the tuition apportionment distribution - 120,966 for 1995-96.)

Actual Per Pupil Payment and Tuition Apportionment - Actual Per Pupil Payment *plus* Tuition Apportionment.

Local Share Mill Levy Deduct - The local mill levy deduct specified in the North Dakota Century Code 15-40.1-06.

Taxable Value - The taxable property valuation for the local school district. Taxable value listed is the taxable value used for the local property tax. Taxable value used for the foundation aid mill deduct is one year behind the taxable for the local property tax.

ADM - Average Daily Membership includes ALL students educated in the district for regular, special education, district supervised home school education and summer school programs. This ADM is referred to as finance ADM.

Mill Deduct/ADM - Local share mill levy deduct *multiplied by* taxable value [for foundation aid] *divided by* ADM.

Net Per Pupil and Tuition Apport Pmt - Actual Per Pupil Payment *plus* Tuition Apportionment *minus* Mill Deduct/ADM.

Net Percent from Pupil and Tuition - Net Per Pupil and Tuition Apportionment *divided by* Actual Per Pupil Expend.