

2001 HOUSE APPROPRIATIONS

HB 1013

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1013

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date 01-09-01

Tape Number	Side A	Side B	Meter #
Tape #1	x	X	End
Tape #2	x		1,300
Committee Clerk Signature <i>Judith Schock</i>			

Minutes:

Representative Ole Aarsvold, Representative James Boehm, Representative Pam Gulleon
Representative Bob Martinson, Representative David Monson, Representative Frances Wald, and
Representative Janet Wentz.

Chairman Janet Wentz : We will call the House Appropriation Education and Environment to
order and open the hearing on HB 1013.

Jerry Coleman: (250) DPI. School finances. (370) General Organizational Structure . See
attached.

Representative Wald: (1010) Page 4 The census shows 115,300 and DAM 113,541 , that leaves
1759 students. Is this all schools , private, parochial and home schooled?

Colemann: The census does not include kindergarten only 6-17 .The count was taken in May of
1999. In the fall of 2000 the count for BIA 1800, non public 1500, and 411 correctional.

Representative Aarsvold: (1195) The total K-12 enrollment , the line after census, back in 85
shows 4400 and now 7000 differential FY00. Please explain.

Colemann: (1235) Go back to the odd number of years. The census is taken every two years.

That narrows it up. Continue with attached.

Hand out - 1999-2000 Biennium. See attached. (1765)

Colemann: continues on page 6 (1925)

Representative Gulleason: (1980) Which group is growing the fastest?

Tom Decker: (2033) In my handout yesterday we show 2000-2005 a slight growth enrollment in high school, and shows declining enrollment in the smaller schools.

Representative Wald: (2145) Your showing no waiting for grades 7 - 8, and 1-6, and 9-12 show no waiting. What is the rationale for no waiting for 7-8?

Tom Decker: (2210) These categories were originally set in the late 60's early 70's and reconstructed in a major way. The categories which we wait haven't changed since. I expect that experience at that time was difference cost for 7-8, so they got the same factor. They are not high cost to teach.

Jerry Colemann: (2340) Continue with changing enrollment. Page 7

Representative Aarsvold: (2720) Reciprocal agreement referenced in your language here is that between the rest of the states?

Tom Decker: (2750) We do have reciprocal agreement with Minnesota, S.D border canceled legislature We are on a District to district and Montana plans to dump state laws and too will be district to district.

Representative Aarsvold: What is the experience of compact as opposed to district to district relationships?

Tom Decker: We have good luck with Minnesota and we do the best with S.D. and Montana, which they are trying to fix, Montana was taking N.D. students, were double dipping . They

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were getting Montana state aid as well as N.D. We should give the parent the choice and I do thing we would have more going in ND.

Representative Wald: (3050) How do schools like Home on the Range get reimburse to Beach?

Many are from out of state as well as in state.

Tom Decker: It is a court placement so they are paid by the resident school district and out of state I assume pays there own.

Representative Gulleon: Do school districts have to sign off when going out of state?

Tom Decker: The statue reads if students live with in 40 miles they are grandfathered in if going to school in 1991, and siblings are also grandfathered in. Those who don't fall into that category need permission from their district.

Jerry Colemann: Continue on page 8.

Representative Gulleon: (3475) Consider factoring in some type income, because a flaw in owning property is equivalent to income. Are there any other states that factor income? I would like a study done on this, and which states removed property.

Tom Decker: I am not aware of anywhere income is a factor in the formula

Jerry Colemann: Continue attached page 9.

Representative Wentz: What would be the reason a school might not be accredited?

Tom Decker: A faculty member teaching out of their trained area.

Representative Wald: Do we have any non accredited and would someone with a degree in English

And would teach another subject, would that disqualify that school?

Jerry Colemann: There may be one and yes, to your last question with a warning the 1st year.

Continue on page 9.

Representative Monson: (4415) Has any move been made to increase transpiration aid?

Tom Decker: It has not been proposed at this time. There is a greater need for family transportation.

Representative Monson: Are you changing any rules for family transportation, such as a child driver or car pooling?

Tom Decker: The requirement for a driver is 18 years of age, due to liability.

Jerry Colemann: Continue with transportation aid.

Representative Aarsvold: (5130) Is it still a problem with administrators not putting the numbers in the proper form?

Jerry Colemann: I believe it has gotten better. We have developed some guide lines.

Representative Wald: Is there any mechanism in place to prevent small schools from buying large buses, and have we had a study done.

Tom Decker: Its a difficult issue. Not designed for efficiency. The kind of buses the districts have depends on the districts wealth.

Representative Wald: Have we had a study done to be more efficient with a small group, and the issue of pooling or a senior in high school., family vehicle reimbursement.

Tom Decker: There are to many small districts running their own transportation system. We will not make significant progression this issue until we get to a payment that rewards efficiency.

Representative Wald: As these districts get larger we are traveling greater distances and at 67 cents the costs rise. We will not get there with out a program to present to us. We need to look at this.

Representative Aarsvold: Parents want the bus to stop for convenience, but may not use it very often throughout the year, and drive themselves.

Representative Monson: I have a comment to not assume smaller buses are more efficient . My larger bus for fuel is less for a month.

Jerry Colemann: Continue on page 10 with summer school payments.

Representative Wentz: What students would fall under home based instruction?

Jerry Colmann: They would be home schooled.

Representative Wald: Are the home schooled supervised and if so what does it consist of and are there any that are not?

Gary Gronberg: One hour per month for first child and half hour for each additional child by a certified licensed teacher. There are cases that home schooled is not supervised by the district.. I would guess the majority are not supervised by school districts. There are certified parents qualified. The local school district can hire whom ever is licensed teacher.

Representative Wald: You get census reimburse for that child, plus one half of the Foundation Aid, what ever category they fall in.

Jerry Colemann: Continue page 11.

Representative Aarsvold: On tuition apportionment, I was told the land department can attribute a portion of proceeds to principal as opposed to distributing them in the year received and put it in a trust fund, and are they statutory limited?

Tom Decker: I don't know that answer but I will find out. .

Joe Morrissette: The ND Century Code 150305.2 gives the land board that discretion. They can choose how much of the current income they want to distribute and how much they want to retain as part of the principal to build the fund up, based on what ever goals they have established. They can't reduce distribution from the past year.

Jerry Colemann: Continue page 11. Supplemental equity. (1625)

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Continue with attachment Supplemental Revenue Payments History and Public Schools Districts

Summary of Facts.

Representative Wald: Page 1, What does if spent out column mean?

Jerry Colemann: We could spend that much. The next column is what was left over and will be turned back. Its a what if.

Representative Aarsvold: (2200) Looking at the criteria, obviously the larger the more efficient you are in terms of cost per student.

Jerry Colemann: I agree its not a perfect formula. (2327) Continue with page 12 and hand out on Public School Districts Summary of facts. Page A-2 Local Sources should be Other Sources.

Representative Aarsvold: On page A-2. On fund group A Local Sources. Do you have any data on the range of highest or lowest on the distribution to local school districts?

Jerry Colemann: Not sure what the highest is, but the lowest some of the lowest support themselves. It will be on the web the end of January. Continue on Page 53.

Representative Monson: Is this an executive recommendation you have of Governor Schafer? Does the supplemental payment you just gave us , does it have anything in it about declining enrollments? How much will you be paying out for those incentives if we reach the cap?

Jerry Colemann: Yes, this is Governor Schafer's recommendation. And the other answer is no. One million of the three million went out on decline enrollments and the remainder went out on a straight ADM allocation. Butte did go nonoperating and was paid on census plus mill levy.

Decker: We had three districts who's consolidations will become effective July 1, 2001 who qualified for bonuses. The total amount is 1.165 million.

Jerry Colemann: Continue on Page 53 and 54. Also Handout on Student Payment Projection for 2011-03, based on Governor Schafer's recommendation.

Representative Gulleon: Page 2 School district, Apple Creek, is an example of K-8 gets non high school and graded elementary. There is a 7.8% increase the second year and 3.8 increase the first year. They have a low enrollment. Are they not contributing to a high school district. I look at those large schools who do make an effort to consolidate, are lucky to break even. And we should not penalize them for making that effort.

Jerry Colemann: K-8 districts are expected to pay full tuition for their students to go to a out of district high school.

Tom Decker: In Burleigh county there are 11 school districts. Bismarek has 97.56% of the enrollment. The other 10 districts have 2.44% of the enrollment. Most efficient school districts are the large class B's

Representative Wald: (5830) Has the department ever looked at county superintendent , or Superintendent of Schools to manage all shops to cut administrative salaries and put it into Foundation Aid. I think we need to think how a business would operate this? As we look at the declining enrollment, there has got to be some efficiencies. Possibly going to county system.

Tom Decker: I read in Dickinson paper in which the editor suggested that we go back to County Superintendents. I think he had in mind was, county administrative units, where a superintendent and a school district board would manage the education for students in the county. We will have hough retirements coming up in the next 10 years. The research is clear. The greatest source of resistance that consolidation comes from current district employees.

Jerry Colemann: See attached Status Report. (491)

Representative Aarsvold: (665) Do I understand we have overspent the child placement?

Jerry Colemann: Actually it means we didn't budget for it correctly the first time, it all comes out of the foundation levy anyway. This ends presentation. Hand outs on general information on

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high school enrollment, school finances. I have a Revenue History for the last 1981-82 to

current Attachment from Tom Decker on ND Public School size.

Representativ Wentz: Any other questions? Concludes this hearing. Adjourned.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1013

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date January 9, 2001

Tape Number	Side A	Side B	Meter #
1 of 2	x	x	
2 of 2	x		4,412
Committee Clerk Signature			

Minutes: Representative Ole Aarsvold, Representative James Boehm, Representative Pam Gulleon, Representative Bob Martinson, Representative David Monson, Representative Frances Wald, and Representative Janet Wentz.

Chairman Representative Wentz: We will call the House committee on Education to order and open the hearing on HB1013.

Larry Klundt: ND Council of Educational Leaders: The question was raised yesterday on the numbers and usefulness of Superintendents. Possibly we need a serious study and how we ought to be. We would participate fully. ND suffers of a too many phenomena, colleges, counties etc. Consolidation means sharing. It is extremely important to get input from parents, tax payers and students. Parents have fear of loosing connections. Most important to resolve needs to be better and benefits better. Sharing might have difficulties. Sharing administrative can be done. Maybe it ought to be a local decision.

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Representative Wald: (1015) We share concerns, but we need to learn to think outside the boxes as the saying goes. People can pay only so much even if they want more.

Representative Gulleason: (1190) Once a decision has been made to close or combine schools, there should be rewards. They need incentives. How are they going to be better off because of it.

Deb Nielson: (1320) With School Board Association. Staff is one of the barriers that resists to consolidation. Biggest barrier is the differentiated tax levies in different districts. People who enjoy lower mill levy, property and land owners often resist to a combined effort. How do we level off mill levy's if we take entire counties. A word about board members and how they feel about sharing Superintendents. They are volunteered, unpaid officials who come together once or twice a month. Their Superintendent is their leader and resource person. As that persons time gets spread out, and geographically is spread out. They become less assessable.

Representative Wald: (1827) It has worked. When a female President was elected to Valley City and Mayville. I for one did not expect it to work. She does it without a problem. We need to look at something more efficient. We can not continue business as usual.

Representative Aarsvold: (1980) Deb feels a levy being in fact a measure of effort. I would suggest a levy is not a measure of effort. It is tax consequences for the tax payer which is the measure of effort.

Bob Rutten: Special Education Director. See attached.

Representative Wentz: (2909) Is that a trend or is that just the last year this has happened? Are there any theories being put forth that have credibility?

Bob Rutten: It was startling when looking at the declining enrollment. We have seen a significant rise. Yes, for a number of years we have served more. There are theories The National Institute of Health finds autism has increased 500%. Rise has to do with medical and

professionals can identify better. Also the advances in medical sciences and technology, and disabilities in the past were hushed.

Representative Aarsvold: (3600) Do you have data dating back to ARC lawsuit, and the consequences it has on school districts?

Robert Rutten: We could provide that.

Representative Monson: I really question the 11.2% of students receiving special ed. Are you counting in the cost of transportation? If so why not clump it together?

Bob Rutten: Yes, you must consider transportation if they are requiring it.

Representative Gulleason: (3819) Do these numbers reflect just general fund spending?

Bob Rutten: This is a representation of total expenses. Continue with attachment.

Representative Monson: (4208) Something seems wrong with your numbers. If 62.3% funding for special Ed is local. We don't pick up that kind of local share for regular education.

Ralph Messmer: (4320) Assistant to Bob. The off set we are dealing with are identified strictly special Ed expenditures. There are other costs such as salaries for teachers and aids.

Representative Monson: Salaries for aids and teachers is not considered as part of the costs you were figuring here? Do these numbers count transportation to the cost of special ed. If so schools may not be coding correctly.

Ralph Messmer: Yes it is.

Larry Klundt: (4680) Refer to page 56 in the department budget Left side of 3rd arrow.

Bob Rutten: (4900) Continue page 2 and 3 of handout.

Representative Wentz: (5350) Give an example of extraordinary costs.

Bob Rutten: A child with great needs, as shown on page 5. Examples physical, and speech therapy. Continue with attachment.