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HB 1172

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1172

House Education Committee

Conference Committee

Hearing Date 01/16/01

Tape Number	Side A	Side B	Meter #
#1		X	13-5890
Committee Clerk Signature <i>John Gilbert</i>			

Minutes:

Chairman R. Kelsch, Vice-Chair T. Brusegaard, Rep. Bellew, Rep. Grumbo, Rep. Haas, Rep. Hanson, Rep. Hawken, Rep. Hunskor, Rep. Johnson, Rep. Meier, Rep. Mueller, Rep. Nelson, Rep. Nottestad, Rep. Solberg, Rep. Thoreson

Chairman Kelsch: We will open the hearing on HB1172

Greg Gallagher: (Education Improvement Team Leader within the DPI) Please refer to the attached testimony.

Vice-Chairman Brusegaard: Passing this legislation would allow DPI to widen these charter school funds, and then hope schools, if they wanted to become an innovative school would apply to DPI for a test?

Gallagher: Yes, it simply allows for the opportunity for us to submit for the federal funds. If we were to receive those funds, the application exists between the district and the state.

Vice-Chairman Brusegaard: So the districts wouldn't be directly requesting grants from the federal government?

Gallagher: They would be directly applying for the grant to the state. If treated as a sub-grant, the federal governments for the state the privilege to grant to districts based on the quality of those proposals.

Vice-Chairman Brusegaard: So then the entity that would actually award the grants from DPI would be that seven member committee.

Gallagher: Correct. The way that the legislation is proposed is that the committee would review and then author a recommendation to the state superintendent, but essentially it's the committee itself that would do the review.

Rep. Mueller: Do we have some school districts, school systems in the state that indicated that they would like to do something like this?

Gallagher: Specifically related to the charter schools, no. The reason we put this forward is that as we see the development of a good system of education in the state, it offered the opportunity for those to do so. We have different sites across the state which are doing innovative work, and we've identified it more anecdotally than anything.

Rep. Thoreson: I think we do have an awful lot of seat time in the public schools system, and if we can find some way to make some more progressive, positive ways to change that, I think that would be really good. In this plan, is this for small schools, large schools and do they have to change something that affects the whole school or just a portion of the school?

Gallagher: If need not be a district, it could be a school. If need not be a school, it could be a programmatic approach. There are a variety of definitions as to how this could occur. The way

it's worded, it's very specific. Funds could be available for schools within schools, or in a multi-school district. It opens the door for districts to seek additional funding that they don't have right now.

Rep. Haas: If the federal stream stops after three years, isn't that going to leave the school in somewhat of a predicament?

Gallagher: As we see it, no worse than where they would be currently. Nothing changes in terms of structuring.

Rep. Haas: Are you saying that you would see, if the school got a \$80,000 grant for three years, are you saying that you see that funding being used for nonrecurring expenses in order to simply establish the initiative?

Gallagher: One option would be, they would dedicate those \$80,000 for three years to nothing but the type of planning that they would want to do. Professional development, for example, would be a primary part, which some districts, it costs the country. I could only guess that for a review committee that saw a plan with extensive capital improvements, they would stick to it. The planning is critical and they are held to that plan. Without giving it a lot of limitations, it can be used any way it will. If it's used unwisely, most likely it won't be accepted.

Rep. Hunsaker: Neighboring states, has research been done into, do they have charter schools there, how successful have they been, and also could you give us an example, within a charter school, some innovative program?

Gallagher: There are 35 states across the country that have charter legislation. All but 2 have actually exercised that right. Of the states that have been done, an Idaho comes close to what we'd be talking about here. The structure of the law is the same. The study that has been done

has been dedicated primarily to what has made charter schools succeed the best, and it's been dedicated to the type of research on what makes a good plan. Across the country it's scattered, there's no one insight, we have some places where charter schools have not performed very well. Arizona, for example, you have a wide open application process, where corporations can support the plan. In ND, it's limited to the local district. Within those settings, where corporations are, your accountability is a little more soft, but the research isn't very good right now, in terms of what we're going to learn from it. Our approach is a well maintained one, it's measured.

Rep. Hunsakor: So, each school, then would come up with its own plan, subject to approval?

Gallagher: That is correct.

Rep. Hawken: The current waiver board is pretty nonpolitical, and it's doing relatively well, is there a reason for making it larger, and adding expenses and that kind of thing?

Gallagher: The additional cost is absolutely minimal. The reason for the expanding of the board is to say that when we're moving into waivers, that the accountability element sometimes does require broader audience. As you're saying, the current one is seen as nonpolitical at this point. If you take a look at it from another perspective, the current structure of the board is from within the education community center itself. We've got the NDEA, school leaders, the school board association. Now that is elected officials, but within ND, ND authority ultimately comes from the legislature in matters of education, so it's giving a nod to the constitutional connections within the state. It is not conducted solely by teachers, administrators or school boards, it is conducted also because of what the legislature sets forth. And also the governor and the state superintendent, within their respective constitutional roles impact what happens, it appears appropriate to us to broaden the levels of discussion itself.

Tony Weiler: (on behalf of the State Association of Non-Public Schools) Please refer to attached testimony.

Chairman Kelsch: Anyone who wishes to appear in opposition to HB1172

Larry Klundt: (Executive Director of the ND Council of Education Leaders) Interested in the necessity of this bill. Currently, there is a law that allows the state superintendent to waive conditions for accreditation, and I think even statute maybe. If a three member committee made up of the people that you heard about concur that it ought to happen, I guess the question I have is, if that already exists, why do we need another bill to allow that to happen. If a school district really wants to create an innovative project of some sort, that is, fact predicated on the concepts of content standards and aligning curriculum and having assessments that are connected with accountability. They can apply for a waiver to go ahead. The piece that's missing, I suppose is the carrot, which is the \$1.5 million. Now that might come from the feds. I don't know if there's a guarantee that it will come, because nowhere in the bill do I see the words 'charter school' and maybe the feds need to have that. Local school districts can create innovative school districts now. They can design them by themselves, with the elements and requirements that they have established for themselves, not as established by the federal gov't or by the state, so I don't know why we need that. I suspect there would be a fiscal note necessary with this. Currently, when the waiver committee meets, it's at our expense. I suspect if this passes, that's going to turn around. We have had several requests for waivers. None of them have been in the area of what is described as the opportunity for public schools in this bill. One of them was close. I think that maybe there's not a lot of desire at this point. I'm not sure that there's a sense of urgency and importance associated with the language that's in this bill among public schools at this point and

maybe there should be, but I don't sense that. I suspect that as soon as you deal with another bill that's coming along with content standards and performance and assessments and accountability to satisfy the federal government's need relative to the Title I money that you're going to be talking about. All of a sudden, this bill doesn't become innovative anymore, because it's going to be a requirement that those kind of things be in place.

Rep. Hawken: Why would we not want it? I heard what you said, but if it does open up an avenue for additional funding that might lead to some creative wonderful things, is there something specific that would make this bad?

Klundt: Not necessarily, if \$1.5 million is enough motivation, enough to create that desire to get the Fargo public schools to create charters around the city.

Max Laird: (NDEA) Please refer to attached testimony.

William Schuh: Please refer to attached testimony

Bev Nielson: (ND School Board's Association) Right now we have a waiver committee that deals with and has historically dealt with fairly narrow waivers for one particular thing. In Fargo, they asked for a teacher type of waiver for their ESL classes, and they showed why that would be more beneficial to kids who spoke that language to have someone who spoke that language. And this committee dealt with that, and it didn't require that they had adopted state standards and that type of thing, it was just evaluated on the basis of what benefit would come to the children by obtaining the waiver. One concern I have is if we go to the comprehensive waiver, which requires state standards in a much more comprehensive nature, what happens to those districts who don't care if they get federal funds, they just want to make their case for a waiver of a certain credential or regulatory requirement based on what types of student performance they

believe they could provide in a better way by having that way. One of our concerns that that options not go away for schools, and that in order to get that one thing, you don't have to adopt an entire curricular-wise state standard. In relation to the committee, and as I work through how we get to where we get with education and the types of inputs that we have and the types of regulations that we have, as I walk through it, when you look at a bill like this, that the legislature over the course of three months, every two years, develops policies which is put into law as to how they would like the educational system to run. Those bills are either passed or vetoed by the governor, and at that point, local school boards and administrators and teachers are given the authority to carry this out. I can't help but have a little problem imagining the three political appointees, on a committee like this, not sort of extending their session idea on out into forever. I guess I don't really understand the necessity for that representation. This committee is way down the line from where the rules have already been promulgated and it seems to me at that point, to have those who are in the education community to meet and discuss the waivers based on the guidelines that have been set up by the legislature, the governor and DPI.

Rep. Mueller: Can we bring back one of the testifiers?

Rep. Mueller: Can we do what you're suggesting with the current law?

Gallagher: Our recommendation is to keep the current waiver option as it is in 15.1-06-08. That would stay on the books for those districts that would want to use the current approach to a waiver. This proposal is to add to that, a second option as far as seeking a waiver. An option that would work for those districts that are looking for a more expansive, planned approach and that would open the door for them.

Rep. Mueller: You're saying, then 'no, we couldn't access those funds with current law.

Gallagher: That is correct.

Rep. Mueller: Do you have any concept of what a fiscal note might be?

Gallagher: The fiscal note would be in the manner of what it would cost to bring in a committee of seven, a couple times a year to do a review. Probably in the area of a couple thousand dollars. There is not an intent to ask any additional state appropriations for this at all. The wording in the text of the bill, is that if ever the state were to move toward the direction of granting awards to schools for progress, then that would be perfectly appropriate to receive that. That's left to the discretion of the legislature if it chooses to do so, therefore, there is no fiscal note.

Chairman Kelsch: It was mentioned that there are 35 states that have some type of innovative school language on their book. Now, out of those 35 states, there are only a couple of them that have actually implemented those programs and are actually utilizing the legislation?

Gallagher: The exact opposite. We have only about 2 that have not exercised their right. Most of the states, in fact, that do have a charter status law, have access charter funds. We currently have about 2000 or 3000 charter schools across the nation. It's not a widely exercised opportunity.

Chairman Kelsch: Their DPI would request those funds and receive those funds, and what happens if schools do not access those funds? Where does it go?

Gallagher: They stay with the US Dept. Of Edu. When a state puts forth an application, it would do so based on the number of the expected applicants it would receive during that funding period. What generally happens is that, in December of the year, the US Dept. Of Edu will announce the federal register a three to four month application period for states to put forth their

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proposal on what they're seeking for funding. It goes through a review process and is funded accordingly. Across the country \$90 million are set aside every year for charter schools.

Chairman Kelsch: We'll close the hearing on HB1172.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1172 B

House Education Committee

Conference Committee

Hearing Date 1/31/01

Tape Number	Side A	Side B	Meter #
1	X		831-1065

Committee Clerk Signature *Robin L. Small*

Minutes:

REP. R KELSCH called the committee to order, all members were present except

REP. SOLBERG.

ACTION:

REP. THORESON motioned for a DO NOT PASS, seconded by REP. MUELLER. Committee discussion. Seeing none the clerk calls the roll. 14 YES, 0 NO and 1 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. BRUSEGAARD.

HB 1172: DO NOT PASS 14-0

CARRIER: REP. BRUSEGAARD

