

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1344

2001 HOUSE EDUCATION
HB 1344

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1344

House Education Committee

Conference Committee

Hearing Date 01/24/01

Tape Number	Side A	Side B	Meter #
#2		X	354 to 3102
#3	X		1 to 3113
#3		X	1 to 2477
Committee Clerk Signature <i>Lisa 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

Vice Chairman Brusegaard: The house has before it HB1344.

Rep. R. Kelsch: (District 34) HB1344 is a bill that is brought before you that is an idea that was talked a lot about during the recent gubernatorial races and was talked about by both sides of the aisle. It's an issue that has surface time and time again, however, it has gotten to the point where we as the state says that something needs to be done to compensate our teachers. We have been told that over the next ten years, we're looking at 3400 teachers retiring. We are hearing cases of young teachers of coming out and working and getting into the education field and finding that they just can't afford and continue to work in the education field. This bill is to try to help with teacher compensation and to try to give school districts the opportunity to increase teacher

compensation. What this bill does, in Section 1, the bill sets up the per pupil payments, and they would be \$2,240 the first year of the biennium and \$2250 the second year of the biennium.

Section 2 lays out the definitions for compensation, and the definition for teacher. Section 3 lays out the claims for reimbursement. On or before Oct. 1 of each year, the school districts must notify the Superintendent of Public Instruction to let him know how many full time teachers FTEs he has in his school district and what the increase in teacher compensation would be at that time. The claim must include those that received the increase in compensation. Section 4 lays out the amount of the reimbursement. The first year of the biennium, that reimbursement would be \$2000, the second year of the biennium it would be an increase of \$1500. If I was a teacher making \$25000 a year, the first year of the biennium I could potentially \$2700, the second year of the biennium I need to sustain that \$2700, and then receive a \$1500 increase on top of that.

Section 4, subsections 1 and 2, reading it and having other individuals read it as well, that was how the thought process went, however, we're not convinced that it read that way, so I have amendments. Section 5 lays out the payments. School districts would receive six payments. The first five would more than likely be equal payments, the six payment is delayed a little, it goes into June instead of having it in April. The reason for this delay, in October when the superintendents have to notify DPI as to how many full time FTEs they have, if, for example, a teacher would only teach one or two months and leave the school system, the school district would not receive those moneys. It allows flexibility for the school board. We are not mandating a compensation increase, what we are doing is we are taking dollars and giving them to the school district to use for compensation increases, and as you read the definition of compensation, they can use those in the negotiation process, and they can use them as they see

fit. One of the things that all of you know is that the fact that approximately 70% of a school districts budget is salaries, so what this does is that takes some of that relief off of that local school districts. I heard from all across the state that this is a good thing, and I truly believe that it is a good thing. I think it's time. If we don't have quality teachers, who's going to suffer? You need to think about what is best for our kids?

Rep. Hanson: On your definition of teacher on the second page, you have a teacher means any individual who is employed by the school district and is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board. The term does not include individuals employed as substitute teachers. You might have a secretary that's licensed to be a teacher. They probably shouldn't qualify for this.

Rep. R. Kelsch: That is something that has come up, but it's extremely difficult to exclude and a lot easier to include. We have tried to wrestle with this and if this committee decides that that's what they want to do, is to try to figure out the verbiage. Maybe the Lt. Governor will address it better. Truthfully, the numbers that we have come up with is approximately 9,092, and at this point, it's a lot harder to do the exclusion than it is to do the inclusion.

Rep. Mueller: In regard to that issue, does the FTE not somewhat take care of that issue?

Rep. R. Kelsch: The jury is out on that, because technically when you look on line 15, it says, 'the claim must include the number of full time equivalent teachers', however, if you go back up to the definition of teacher, that's where we get into some trouble, so we may need to look at the verbiage a little more closely.

Rep. Solberg: A verification relating to the funds that are earmarked for teacher salary increases, so if when they receive these funds, they are strictly earmarked for teacher salary increases, they can't be used for anything else, right?

Rep. R. Kelsch: They are earmarked for teacher compensation. The school district could use those funds as they saw fit during the negotiation process, and if you look under the definition of compensation, those are the items it could be used for. For example, the school district, when they do the reporting, they would have to say that, 'for teacher 1, we gave \$1800, so they would not have the \$200 to play with.

Rep. Monson: I'm in support of HB1344. I have to applaud the governor's office and all of the people who put this bill together. The ten dollars per year increase in foundation aid really does tie the school's hands, especially in the smaller district, those with declining enrollment, there's going to be a decrease in general fund dollars if all we have is ten dollars per pupil going out in foundation aid, because most districts are seeing their tax evaluations going up, their mill deducts will go up, and if you have fewer students, you will have smaller foundation aid payments coming out, and what are we going to run our school on, so there are some problems with this bill, but the total amount of money is great, the intent of the bill is great. One other little problem is that we're going to end up with declining enrollment and going to have to cut some teachers and most of the districts, I think, that have policy in place that says, those that were last hired will be the first non-renewed, and so on, so if we are unable, through extra foundation aid payments, to make some of the other needs around our school, we're probably going to have to make some cuts.

Rep. Mueller: As I look at the bill, I don't see where there's any, we're talking \$3500, that doesn't really say that a teacher may receive it, does it? The scenario that I'm looking at is a teacher may get \$2500 and another teacher may get \$1500 on the first year of this process. Is that a correct assessment?

Rep. Monson: If I'm understanding you correctly, it is subject to negotiations, and it's in compensation, so they may not end up with that amount of money in their pocket, and they may end up not getting the full amount if the board negotiated different wages or different places that they put it in that salary schedule. That will be local control. I do have doubts as to whether any school would not try to spend it, because as I see it, it's kind of a use it or lose it.

Rep. Mueller: That whole package that the school district may be eligible to receive, but it may not be evenly distributed between the staff. Am I reading that correctly?

Rep. Monson: As I understand it, there would be no more available than \$2000, so if someone... I'm not sure how that's going to work.

Chairman Kelsch: They can receive no more than \$2000, so you could not say, I'll give this teacher \$1000 and this teacher \$3000.

Jack Dalrymple: (Lt. Governor) First of all, we are concerned in the Governor's office, in the quality of education that we are putting for in the state of ND, and that is an overused term. "Quality" is thrown around quite a bit, and everybody has their own definition, but I think, if you think about what really needs to happen in a school, the essence of that is what the instructor is before the students. That is where the real education is taking place. It's not about the buildings, it's not about services, it's about an instructor standing in front of the students. We think that if you're going to improve the quality of education in ND that you have to be placing emphasis,

ultimately, on the instructor. We have tried in this bill to create a very strong incentive to make a greater investment in the instructor. We think that is what's needed to give some direction to our schools. Let them know, where we want them to go. It is the most important investment, I believe, that we make in state government. The other practical problem is what happens if we don't do a good job in compensation for instructors and then we're going to begin to have a recruitment problem. I think we're already beginning to see it in ND. It is there, we have a retention problem, we have people who are eager to retire. We're competing with all of the other jobs in our sector, and that's something we're going to have to face up to. The one thing that we absolutely cannot have in ND is a situation where our new instructors are the people who could not get any other job. It is in many ways a historical amount, it is the largest amount we have ever seen in a budget. It also represents a new method of distribution that we have never done before. The affect is only going to be felt if people pull together and agree on how to proceed in funding k-12. If we have legislators that have different ideas than this one, we're going to get into the usual pattern of chasing our tail, and I think we wind up with less direction or maybe no direction in solving the problem. The public has accepted the fact that we need to accept this. A couple of things that HB1344 will not do. In some ways, maybe the expectations of this bill have grown over the last couple of months, it does not solve the problem of declining enrollment, it works in the right direction. It is not the answer to the equity question. It also does not address the missing piece in improving the quality of instruction in our school: dealing with substandard performance by individual employees. We have a system does not work well in that regard, but as we move to higher pay for higher instructors, we have a right to higher expectations. *Please refer to handout* The technical side of the bill has to be very clear, it is

\$3500 available per FTE in here too, as I understand it, there is a way of reading the bill that would make it look like that wasn't the case. They file a claim with DPI, DPI confirms that they have that number of FTEs, they confirm that the increases are there, and they sent money out. Our final count as 9,090 teachers and administrators with certificates. That includes such things as counselors, teacher's aids, special ed teachers and directors, voc. ed. teachers and directors, tutors, tutors in training, many different employment classifications that are included at DPI. What is not included is other service staff, and I think that the definition that's in the bill could possibly be improved by targeting it toward the people who are in the positions that require a teaching license. The other part of this bill is understanding the bill picture. What has been discussed very little, is that we have a little unusual situation this year in the amount of money that will be pulling out of the tuition apportionment program. Normally, schools would expect, biennium to biennium approximately \$3 million over the prior biennium. This year, that increase will be approximately \$13 million. The reason for that, there has been a change in the way distributions are made. It was discovered through an audit that some funds were being withheld that should not have been, and we also know that there has been a large inflow of tobacco settlement dollars. We've also proposed an additional \$10 in regular per student payments each year, and that taken with the increase of the tuition apportionment, the total is \$100 per pupil. Some have asked, 'are we breaking the budget in order to do this?' We believe that we are not, they are general fund dollars, they are not targeted from any particular area, and we do intend to continue to propose the same amount of money, plus an increase in the coming biennium. If we did not feel that we could sustain this, we would have obviously not proposed it. We should not

allow this challenge to turn into a crisis. We've got to provide money now to prevent the crisis from coming.

Rep. Bellew: In this paper that you gave us, it says that there will be an \$80 per pupil increase, is that per year, or is that for the biennium?

Dalrymple: For the biennium.

Larry Klundt: (Executive Director of ND Council of Educational Leaders) *please refer to written testimony*

Rep. Nelson: Have you thought of taking administrators out of the compensation increase? How much would that be?

Klundt: Yes, as a matter of fact, in fact I considered asking my board to recommend that we'd do that, it would probably be a couple million of dollars.

John Finstead: My wife, Laurie is a fifth grade teacher, and one of the greatest pleasures I have in life is that I have students that come up to me and say, 'I'm so happy that I have Mrs. Finstead as a teacher'. I want a teacher who will engage children. My wife has taught for 17 years, she makes \$25,000 a year, she will always teach, but if you wanted it for a primary income, it wouldn't work. One discussion I had with a school board member I said, 'You know, teachers should have the ability to strike, and they could take and negotiate everything else and it would be all open and on the table', and the school board member said, 'No, if that was the case, the children would be hurt', and I said, 'No, the children wouldn't be hurt. It's the parents that don't have the fortitude to take and say, 'Teachers are important in our community', they're the people who don't want to pay the taxes or whatever it takes to increase salaries. To a county commissioner in Lisbon, I said, 'You know, it's too bad that the county can't do more to raise

