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SPECIAL SESSION

2003 SENATE EDUCATION

SB 2421

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2421

Senate Education Committee

Conference Committee

Hearing Date May 5, 2003

Tape Number	Side A	Side B	Meter #
1	X		1-end
1		X	1-500

Committee Clerk Signature *Mary Kay Wilcox*

Minutes:

Senator Freborg opened the hearing on SB2421. Roll call was taken, all committee members were present. This bill relates to teacher compensation.

Senator Freborg (mtr #45) - Section 38 is the only change in the bill. Have a new bill number but all sections have been heard and passed with the exception of section 38. Because it is a new bill, the hearing is open to testimony in any area of the bill. Without objection from the committee, highly recommends addressing only section 38. If it is necessary to talk about other areas of the bill, will allow it. But doesn't want to get into the rest of the bill unless someone has a very good reason for going there.

Anita Thomas, Legislative Council (mtr #145) - Section 38 replaced a prior legislative intent section. This provides that during the 2003-2005 biennium, the board of each school district would have to use at least 70%, or an amount equal to that, of the new moneys it receives for the purpose of increasing teacher compensation. Definition of new moneys is; new per student

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moneys received this biennium as opposed to last biennium. As currently drafted this requirement would not apply if the district's average annual teacher compensation level is at or above the state average for that level. Section 38 contains one additional exemption, that is for school districts that are providing educational services under a cooperative agreement approved by the Superintendent of Public Instruction. Those multiple districts will be treated as a single district for purposes of applying this section.

Senator Christenson (mtr #235) - Under section two, how many schools does that actually impact.

Ms. Thomas (mtr #247) - Believes there is a printout that shows where the school districts fall. Does not have that available right now.

Senator Freborg (mtr #284) - In response to Senator Christenson's question, believes the number is 16.

Senator Cook (mtr #310) - Looks to be more than that. It is 23 schools.

Bev Nielsen, School Board Association (mtr #390) - Testified in opposition to SB2421. We resist this concept because it impunes the integrity of local school boards by implying that boards will not raise teacher salaries unless the state mandates them to do so. The Governors continued efforts to intercede in salary negotiations on behalf of the teachers union only diminishes the school board position and its local collective bargaining process. Need to understand that there are unique negotiating agreements in each school district in the state. Teachers receive salary increases automatically moving along salary schedules. Salary freezes in North Dakota are unheard of. North Dakota law requires local school boards to collectively bargain with teachers to establish salary and benefits. If the Governor has no faith in that process, perhaps he should

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10/23/03
Date

Page 3 *Sand Educator*
~~Senate Appropriations Committee~~
Bill/Resolution Number SB2421
Hearing Date May 5, 2003

introduce legislation that repealing the collective bargaining law. Feels the state should respect the position of the locally elected school board and the teachers union. Believes the 70% language impedes that process.

Gloria Lokken, President, NDEA (mtr #596) - Testified in support of SB2421. Supports section 38 with the exception of provision #2. That provision applies to the average teacher compensation level. The intent of this section is to raise the average teacher salary in the state. Respects the remarks of the previous speaker, but twenty years of history shows that if it is left to collective bargaining the results are slow and the numbers are small.

Senator Taylor (mtr #767) - What does this mean to the rest of the schools outside of the twenty-three mentioned earlier. In schools that are facing declining enrollment will the teachers get a raise?

Ms. Lokken (mtr #811) - Just saw this language a few minutes ago, so have not had time to look at the numbers. But do know that 65 schools are getting less money in the next biennium.

Senator Flakoll (mtr #865) - Did you support of 70% in the House?

Ms. Lokken (mtr #876) - Not sure.

Senator Freborg (mtr #943) - Will return to testimony in opposition to SB2421.

Gary Engwhich, Superintendent of Schools in Killdeer ND (mtr #997) - Testified in opposition of SB2421. Is not in total opposition but has concerns. Handed and referenced exhibit A. Talked about Killdeers increasing enrollment next year. Killdeer will have a net gain of 40 students next year. Based on those figures with original bill, Killdeer would see a net gain of about \$130,000 in next years foundation aid payment. Because of the additional students, will need to increase staffing. Killdeer is currently deficit spending about \$100,000 in the current year. Because of

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that, the 70% factor would hit that school district hard. Would have to raise taxes significantly to offset the funds designated for teacher salaries. Not opposed to teachers getting justified raises. Have increased their compensation over 10% per year. Feels Killdeer is unique in the State of ND because of the projected growth. Governor had originally talked about a 1500.00 per year teacher salary increase. Would support if it was an additional option. Another thing that would help, would be if the moneys designated as new moneys could be used by schools with increasing enrollments to hire additional staff members.

Senator Krauter (mtr #1596) - Proposed amendment #.0103 that relates to the 140 mill issue in the legislation. The amendment refers to page 8 and 9 of the bill. Are asking here to basically exempt the K-8 environment out there.

Larry Klundt, NDCEL (mtr #1787) - Is neutral on this bill. Did testify in favor of the 70% provision in the House Education committee. Superintendents are in a difficult position. They are responsible for administering the budgets along with trying to be the best advocate for staff that they can. The Association took the position early on, was a first priority for foundation aid. But also willing to say that if more money was possible for foundation aid, would not object to a portion of that stipulated for teacher compensation. Average across state shows 57% of expenditures goes to teacher compensation, foundation aid makes up 45% of the districts revenue. With those numbers feels that 100% of foundation aid is already going to teacher salaries. Suggests, and bill does reflect, that the focus remain on per pupil payments and not include tuition apportionment. Again stated that foundation aid is the first priority for his Association. And do not object to the 70% since it does retain the amount of money in the program for foundation aid

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10/23/03
Date

Senator Taylor (mtr #2144) - On the 70% , with the foundation aid increase and declining enrollment, are the teachers going to see an increase in a lot of our schools?

Mr. Klundt (mtr #2190) - Believes that with the amount of money in foundation aid and whether it is 70% or 100%, nobody is going to get a substantial raise.

Sandy Clark, ND Farm Bureau (mtr #2270) - Testified in opposition of SB2421. Are opposed to the 70% dedication of new moneys to teacher compensation. ND Farm Bureau does support teachers and teacher salaries. Opposition is philosophical in nature. Feel that local school boards should have the flexibility to make these decisions. When the Governor attempts to dictate teacher compensation and how schools spend money, feel it is developing a dangerous precedence. Trend would be difficult to sustain over time and fear property taxes would be raised to pay salaries that are set by the state legislature. Feel teachers do receive a significant amount of foundation aid money. Feel school boards are doing a good job and are committed to teachers and quality education. Also feel if teachers receive 70% of new foundation aid, it only leaves 30% of new moneys for other costs such as building, technology and administrative staff. ND Farm Bureau would support the proposed amendment. Urges a do not pass on this bill.

Senator Freborg (mtr #2522) - What would they propose?

Ms. Clark (mtr #2545) - Recognizes the difficulty with this bill. Over the long term would like to see a combination of income taxes and property taxes for funding. Can agree with the rest of the bill without the 70% language.

Senator Flakoll (mtr #2742) - Question for Tom Decker from Dept of Public Instruction. Could you comment on the problem of declining enrollment. Gave numbers of teachers, students lost and the resulting net dollars. Will this trend continue?

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10/23/03
Date

Page 6 *Education*
Senate Appropriations Committee
Bill/Resolution Number SB2421
Hearing Date May 5, 2003

Tom Decker, Department of Public Instruction (mtr #2796) - Went over several reasons for the decline in student numbers and the increase in teachers.

Senator Flakoll (mtr #2866) - Clarified that we have peaked or flat lined on numbers of special education teachers.

Mr. Decker (mtr #2881) - That may be the case, but there is some tendency for increase there.

Senator Freborg (mtr #2960) - Closed the hearing on SB2421

Senator Freborg (mtr #3000) - Called the committee back to order. Open for discussion.

Senator Flakoll (mtr #3014) - Had conversations with Legislative Council, trying to get something that may be suitable for situations such as Kildeer and Halliday. Those amendments will not be ready until later.

Senator Freborg (mtr #3055) - We can discuss the contents now to cut down on time tomorrow.

Senator Flakoll (mtr #3120) - Amendment will attempt to protect the school districts against large numbers of students moving into the district and the sweeps that would result from that movement. Looking at, school districts that have more than 250 enrollments in K-12 that experience a single year growth of 7-8% would be exempt.

Senator Lee (mtr #3247) - Question regarding the reorganization, the newly reorganized districts for the second half of the biennium.

Senator Flakoll (mtr #3261) - Not sure if those numbers have been taken into account.

Senator Christenson (mtr #3320) - Comment regarding this bill, sees conflicting opinion, picking away at the bill, trying suit different districts. In the end feels we will end up frustrated. Some

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