

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

3019

2007 HOUSE EDUCATION

HCR 3012

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3012

House Education Committee

Check here for Conference Committee

Hearing Date: **5 February 2007**

Recorder Job Number: **2793**

Committee Clerk Signature



Minutes:

Representative Mark Owens, District 18, introduced the bill. This resolution seeks to answer a question that today cannot be answered. During my time with the Tax and Finance Interim Committee, our primary focus was to look for means to shift support for education to something else to reduce the reliance of education on property tax. Based on the Century Code requirements, no one could answer what the cost of educating a child in ND was. If I asked this question, they took the total instructional cost of the state and divide it by the number of students and said there you go. That's not really true depending on which school district you talk about. Some have the minimal requirements of the Century Code, another may require additional foreign language classes, another may have multiple electives where the cost is included, another may have graduation requirements increased to 23 and 24 which alter the instructional costs, and another may have all day kindergarten. All of that affects the total instructional cost. While we sit here and deal with PPP and property taxes, and we cannot get past that. We are treating the symptoms and not the cause of the problems. This seeks to answer only one question and that is the cost based on the century code for high school and what is necessary to prepare them in K-8 to prepare them for high school. I don't know how the state could fund equitably without knowing that.

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House Education Committee

Bill/Resolution No HB 3012

Hearing Date: 5 Feb 07

Representative Herbel: If we found out that state mandated requirements came to 60% or 70%, would that be the way you think the state should go as far as support?

Representative Herbel: I'm against arbitrarily picking a percentage. Once we found this out, over time the state would fund the requirements in the Century Code at 100% and anything else over and above that would be funded by local property taxes.

Representative Herbel: The 20 – 1 ratio in here did you just pick that out. Isn't our ratio now 17 to 1?

Representative Owens: I believe there is a benefit to lower classes, but I picked 20 to 1 as the maximum. We had to establish it at some point.

Representative Wall: Do you see this dovetailing with adequacy of funding?

Representative Owens: I believe this study would be more to equity than adequacy. This is directed toward what the state should be funded. We say 70%. Seventy percent of what? You have no control.

Representative Mueller: I think you make a good point. Core curriculum has been discussed. Did you deal at all with core curriculum?

Representative Owens: I addressed only what is outlined in Century Code in grades 9 -12. I do not attempt to profess to be an educational expert and determine what has to be between K-8 to get to there.

Representative Mueller: This is a good idea, but what I'm suggesting is that there are some criteria now. If we identify that then we can begin to tie dollars to that. A study as you talk about takes us quite a ways.

Representative Owens: It is going to require what that curriculum is.

There was no further testimony. Chairman Kelsch closed the hearing of HCR 3012.

Representative Mueller: I move a Do Pass and Place on the Consent Calendar.

Vice Chairman Meier: I second.

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House Education Committee

Bill/Resolution No HB 3012

Hearing Date: 5 Feb 07

A roll call vote was taken: Yes: 11, No: 0, Absent: 2 (Haas and Solberg)

Representative Karls will carry the bill.

Date: 5 Feb 07
Roll Call Vote #: ,

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 3012

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number Do Pass + place on Consent

Action Taken

Motion Made By Mueller

Seconded By Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier	✓		Rep Hunskor	✓	
Rep Haas	○		Rep Mueller	✓	
Rep Herbel	✓		Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg	○	
Rep Karls	✓				
Rep Sukut	✓				
Rep Wall	✓				

Total Yes 11 No 0

Absent 2 (Haas Solberg)

Floor Assignment Karls

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

REPORT OF STANDING COMMITTEE (410)
February 5, 2007 12:38 p.m.

Module No: HR-24-2127
Carrier: Karls
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3012: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3012 was placed on the Tenth order on the calendar.

2007 SENATE EDUCATION

HCR 3012

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3012

Senate Education Committee

Check here for Conference Committee

Hearing Date: March 14, 2007

Recorder Job Number: 5033. 5034

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on HCR 3012, a resolution directing the legislative council to study the determination of the cost of elementary and secondary education. All members were present.

Representative Owens introduced the bill. It is the result of some questions that appeared during the interim in the Finance and Tax meetings. They wanted to find out what it costs to educate a child based on the minimum North Dakota Century Code requirements and no one could answer the question. They can tell you what it costs in district A or district B but not in the state. It is not an easy task. In Century Code are graduation requirements for grades 9 – 12. Educational leaders have developed curriculum for K – 8 to meet the requirements for 9 – 12. Costs are available district by district and it is not equitable. District A may offer more than required by Century Code. There are different opportunities in different districts. It is not an equitable distribution across the state. Everything over and above the Century Code requirements would be local control. He would like to see a simple formula created for funding for small schools and large schools. He envisions the state eventually funding the minimum requirements at 100%. He did put a 20:1 student ratio in the resolution.

Senator Flakoll asked if this is different from the Augenblick study that was done a few years back.

Representative Owens said yes, it dealt with adequacy under the current system statewide based on what was being offered statewide and came up with \$300 - \$400 million statewide. It wasn't really about equity based on the Century Code.

Senator Flakoll asked how this would harmonize with SB 2200 and examining adequacy in the second phase?

Representative Owens said that is a very important question. This is only a step, this won't happen overnight. It will take several years. In the interim, we still have to deal with issues, both on equity and adequacy under the current formula. It is important for the work on 2200 to continue.

Senator Flakoll said the 20:1 ratio is confusing, our statewide average is 12.7:1. Except in a couple of equity districts where they haven't been able to hire professional staff, we are at about 7800 teachers. What is the justification for that number?

Representative Owens said he originally wanted to use 15:1 but changed it to 20:1 because of conversations with a couple of districts it would affect. It is a minor issue. This is one of the factors the state would have to decide. The focus is to establish certain parameters. There have to be certain controls on the variables to determine the cost.

Senator Flakoll said this doesn't determine what is a viable school, one with long term viability.

Representative Owens said we have to create an imaginary school system with the required classes based on the Century Code and determine what would be required to educate the child.

Senator Bakke asked about auxiliary costs such as superintendents, custodians. How would the size of this imaginary school be determined?

Representative Owens said we would have to create a singular school system then have different scenarios.

Senator Taylor asked if the funding would be absolute, how would it apply to a school with only 10 students?

Representative Owens said there would be a number of variables and then create a formula based on the baseline school district. The constitution says we have to set up a system of education, it doesn't say we have to pay for it. We have to make sure the state funds equitable education across the state.

Senator Taylor said when putting all the numbers together, will they use actual numbers from across the state?

Representative Owens said he would leave the methodology up to the interim committee. He envisions, for example, teachers salaries, which are slightly different across the state, to be a baseline merit system that the state is willing to fund based on educational level, years of experience, specialized certificates. Local control could add to it.

Senator Bakke asked how this would address adequacy? Adequacy is not just the basics.

Representative Owens said this has nothing to do with adequacy. All school districts currently offer different components, some students get opportunities that others don't. The only way to do it is to force the school districts to do only what the state requires. No one wants to take away or limit local control.

Bev Nielson, North Dakota School Board Association, testified in favor of a study on the cost of education, in whatever form the legislature chooses to do that . For years we have struggled with what the state wants to require, what is the base level, what does that cost and what does the state want to pay and how much should be left to the locals. If it can be done in the adequacy study of the Governor's Commission, that's fine. If it takes an additional work group

to make an additional study, that's fine. Basically what Representative Owens is talking about in most cases was what Augenblick did. What they did not do, because we did not have graduation requirements, they took everything that was being offered. The way she has thought of the adequacy side of the lawsuit and the adequacy study was this very thing. Whether we need a separate resolution, a separate interim study for that, she doesn't know. They clearly want as part of the adequacy side for those three things to happen. Gloria Lokken, NDEA, testified in favor of the resolution. She said Bev Nielson said everything she would say. We can address this study in the Governor's Commission and she hopes that will happen. They support a study on adequacy. We have to provide equity while moving forward to adequacy.

Tom Decker, Department of Public Instruction, testified in favor of the resolution. He favors a study to see if we have achieved equity with the Commission's work. We need to look at adequacy. It is worth looking at cost effectiveness. The Augenblick study recommended the cost of an adequate education was estimated at an additional \$200 million per year, based on a providing an adequate education to every student in North Dakota as we were then organized. Clearly, \$200 million a year is not in the cards. We need to determine the alternative in terms of determining some sort of cost effective delivery system. Deloit studied shared services and one of the aspects of the study to focus on is the business of making a determination and beginning to move state policy in the direction of where and how we can most cost effectively provide a given set of services be it special ed, distance learning. We can outline an adequate education but if we can never afford it, we will never achieve it. We need to deal with the cost aspects.

Senator Taylor asked what we paid for the Augenblick study?

Mr. Decker said \$115,000.

Senator Taylor asked if we can do this study through legislative council for two square meals and a daily per diem?

Mr. Decker said no. Studying adequacy is far more complex than studying equity. We have completed the easier part of the task. Dealing with adequacy is a very complex daunting task. We will need help and it's not free.

Senator Bakke said we have the Governor's Commission that is charged with defining adequacy, we have this study. This would take professional support and opinions. How would they work together?

Mr. Decker said Department of Public Instruction has just offered amendments to SB 2309 that suggested an advisory group or an expansion to work with the Governor's Commission on the next piece of business. The advisory group came from the P16 task force. The P16 task force did the background work that will need to be applied to deal with the adequacy issue. We can't study adequacy with the Governor's Commission as it is currently structured. We have some people on the commission who are outstanding in terms of school finance but adequacy is a different issue. It is what we want kids to know and be able to do and how do we define and achieve that. Then the commission can do the costing out aspect. Department of Public Instruction suggested a significant piece of the P16 task force be retained to work with the commission on the adequacy issue. P16 had a long list of national experts come in, they were very good and very helpful and we need to use some of them again and apply them even more specifically to North Dakota issues.

Senator Bakke asked if we need a new structure to study adequacy?

Mr. Decker said the commission did an outstanding job. It is a national model. No one else in the nation has managed to resolve (we are not through yet) this far the issues related to funding equity. In every other state it has been through the courts, hard nosed, law suit kind of

issues. Dealing with developing a basic foundation in equity is the starting point for taking off on defining and funding adequacy is foundation work on the financial side. On the academic side, the issues get more complex. Building the adequacy house on this equity foundation is a daunting task.

Chairman Freborg closed the hearing on HCR 3012.

Senator Flakoll moved a Do Pass on HCR 3012, seconded by Senator Gary Lee.

The motion passed 5 – 0. Senator Bakke will carry the resolution.

Senator Flakoll said as a point of order, it is not called the Governor's Commission it is called the North Dakota Commission on Education.

Date: 3/14/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3012

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Fletcher Seconded By Sen. Lee

Total Yes 5 No 0

Absent _____ 0

Floor Assignment Sea Breeze

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

REPORT OF STANDING COMMITTEE (410)
March 14, 2007 9:51 a.m.

Module No: SR-48-5239
Carrier: Bakke
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

**HCR 3012: Education Committee (Sen. Freborg, Chairman) recommends DO PASS
(5 YEAS, 0 NAYS, ABSENT AND NOT VOTING).** HCR 3012 was placed on the
Fourteenth order on the calendar.