

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

20030

2007 SENATE EDUCATION

SB2030

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2030

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 9, 2007

Recorder Job Number: 776

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on SB 2030, a bill relating to educational associations governed by joint powers agreements; relating to accounting procedures and school district business managers; relating to criteria for and expenditures by educational associations governed by joint powers agreements. All members were present.

Anita Thomas, Legislative Council, appeared before the committee to explain the bill. She served as legal counsel to the Interim Education Committee and appeared to give a summary of that committee's efforts. (Written testimony was submitted after the hearing at the request of Senator Gary Lee and is attached.)

Lois Myran, Coordinator for the Roughrider Education Services Program, testified in favor of the bill. (Written testimony attached). She gave a brief history of North Dakota JPA's which started in 2001. They began as a grass roots movement. Initially, there were 4 JPA's, Bismarck, Valley City - Jamestown, Dickinson and Devil's Lake. Since the last legislative session, there are 5 more JPA's. She referred to the chart she distributed and said 89% of all school districts participate in a JPA which includes 97% of all students. Each JPA is unique, Minot is the smallest, Bismarck is the largest. The chart on the back side of the map she distributed shows the growth of JPA's since the last legislative session. There has been

growth in administrative services as well as in student services. There is a difference in the services offered by the JPA's across the state. She gave an overview of services, highlighting a service of each JPA. Williston is one of the newest JPA's. They have had success in grant writing and have received over \$1 million in grants and have another \$800,000 in application. The Minot area JPA has worked on economically providing drug testing for bus drivers. The Bismarck JPA has expanded summer school opportunities and has developed an English language learner plan. The Bottineau JPA has worked with curriculum and curriculum mapping and provides training in this area, saving the school districts time and money. The Devils Lake JPA has worked in career technology and also in coordination with Human Services. The Dickinson JPA has worked on professional development and has brought in national level speakers. The Grand Forks JPA is new after the 2005 legislative session and has developed a common calendar which has been beneficial for the scheduling of professional development. The Fargo area JPA held a school improvement camp for two days where 9 different schools worked on documents under the guidance of experienced professionals. The Jamestown - Valley City JPA has been discussing combining 3 ITD units under the JPA. They have also discussed combining special education functions. She also referred to written testimony she distributed from a teacher in Hebron (Al Feist, written testimony attached)

Tracie Welk, elementary teacher and Education Coordinator at TGU School District #60 testified in favor of the bill. (Written testimony attached) (Meter 24:26)

Jacob Holm, senior at Maple Valley High School in Tower City, testified in favor of the bill. (Written testimony attached)

Maurice Hardy, a member of the Beach School Board and Beach's representative on the Roughrider Education Services Program testified in favor of the bill. (Written testimony attached)

Senator Bakke asked if there has been an effort to bring those school districts who are not members of a JPA into the fold.

Mr. Hardy said one district that was not a part of a JPA recently hired a new administrator and they have now decided to participate in a JPA. There have been many presentations at the State School Board Meetings about JPA's and those that do not now participate are considering it.

Denise Wolf, Director of the Lake Area Career Technology Center in Devils Lake testified in favor of the bill. She distributed a document "Budget Issues Excerpt from the Education JPA Legislative Issues Committee Meeting Summary of November 21, 2006. She said the concept of cooperation in North Dakota is not new; the JPA's are a new system of cooperation. They create a sustainable system. We no longer need to explain why we need JPA's, now we need to improve JPA's. We used to look at education as a service, now we look at it like a business. We need adequate resources to produce a quality product. She discussed various educational issues including No Child Left Behind, P16 and equity and adequacy and JPA's role in them and the resources that will be necessary in the next biennium to help the JPA's fulfill that role. The Devil's Lake JPA has been approached by Human Services to help identify students in need of adolescent services. This will require additional resources. (Meter 59:36)

Senator Gary Lee asked if the 9 JPA's are a good fit with enrollment, are they big enough, too big, too small, do we have enough JPA's?

Ms. Wolf said the local control and autonomy is what makes the JPA's work. Declining enrollment may force some realignment of JPA's.

Senator Bakke asked if each JPA has a full time employee, who is responsible for their benefit packages?

Ms. Wolf said no, that is a goal for the future. She said the JPA's need to be able to hire personnel. Now the schools take the liability. A full time JPA coordinator is a future goal based on growth. The coordinators are extended with many duties.

Senator Bakke asked if the money comes from the state or from local funding sources.

Ms. Wolf said some local fees are charged, but they will look to the state for funding.

Chairman Freborg stopped the hearing for a break.

After the break, Chairman Freborg asked those who are testifying on the bill to stick to the bill.

He reminded those in attendance that there is no appropriation in this bill and so there is no reason to talk about funding. He also gave a reminder that cell phones are to be turned off, not on vibrate.

Jon Martinson, State School Board Association, went on record as supporting the bill.

Doug Johnson, North Dakota Council of Educational Leaders, went on record as supporting the bill.

Nancy Sand, NDEA, went on record of supporting the bill. Regarding the question of allowing JPA's to employ their own teaching personnel, the NDEA is supportive of that if those teachers would be under the same terms and conditions as teachers employed by the school districts.

Chairman Freborg closed the hearing on SB 2030.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2030

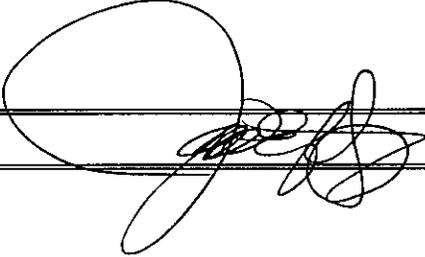
Senate Education Committee

Check here for Conference Committee

Hearing Date: January 10, 2007

Recorder Job Number: 835

Committee Clerk Signature



Minutes:

Chairman Freborg opened discussion on SB 2030. All members were present.

Senator Gary Lee said he had some questions of counsel and she has answered them. In section 4 #6 regarding the employment and compensation of staff, he had a concern for how extensive the employment could be, what types of employees were included. Anita Thomas said this section was in the previous bill and does not go beyond a coordinator and administrative staff and does not include teaching professionals.

Senator Bakke said she has concerns if the JPA's would start hiring teachers from a standpoint of teacher's rights and benefits. The JPA's would almost become a school district. The JPA's say they are not hiring teachers now but they may want to in the future.

Senator Gary Lee said under this bill, they can't hire teachers; they would have to be a political subdivision to do so.

Senator Taylor asked if in testimony yesterday a JPA from the northeast said they were cooperating with a school district who hired a teacher that would do some work on behalf of the JPA.

Senator Gary Lee said yes, the school district employs the teacher.

Senator Taylor said the JPA's can accomplish the same end by having the school district employ the teachers.

Senator Gary Lee said that is correct and would solve Senator Bakke's concerns.

Chairman Freborg said the committee will act on SB 2030 at a later time and closed the discussion of the bill.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2030

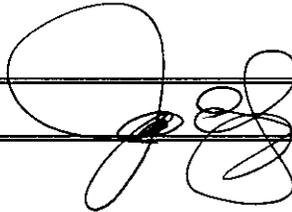
Senate Education Committee

Check here for Conference Committee

Hearing Date: January 17, 2007

Recorder Job Number: 1308

Committee Clerk Signature



Minutes:

Chairman Freborg opened the discussion on SB 2030. All members were present.

Senator Gary Lee said he has a couple of amendments. Amendment .0803 replaces the term education association with the term area service provider in the code. This is more consistent with terminology used across the country. It also permits special education units to work together cooperatively.

Senator Taylor asked if the amendment regarding special education would allow JPA's to hire teaching staff.

Senator Gary Lee said itinerant teachers are teachers who are hired by the school district and contracted by the JPA.

Senator Bakke said an itinerant teacher is one who travels from one place to the next. If they are hired by the school district, does the JPA coordinate their schedule?

Senator Gary Lee confirmed the teachers would be employees of a school district.

Senator Gary Lee moved the acceptance of amendment 70043.0803. Senator Flakoll seconded the motion.

Senator Gary Lee said the amendment would allow the area service provider to use that term officially and to permit multi district special education units.

Senator Taylor said he likes the permissive language on the multi district special education units, this is offering a third option.

The motion passed 5-0-0.

Senator Gary Lee said he has another amendment, .0801 that requests a Department of Public Instruction mechanism and time table to get state aid payments to the JPA's in a timely manner. This language may also be in SB 2200.

Chairman Freborg asked if there has been a problem with JPA's getting their payments from the school districts.

Senator Gary Lee said this is not prompted by problems. Tom Decker asked for the amendment and did not mention any problems.

Senator Taylor said now the JPA's payment is made to the school district that, in turn, make payment to the JPA. How will Department of Public Instruction know what fees are due? Will this save much?

Senator Gary Lee said in looking at SB 2200, page 45, it describes payments to JPA's in the same manner as the state aid payments. This same language needs to be in SB 2200.

Chairman Freborg said if there is a problem between a school district and a JPA and the school district is withholding funds for a reason, once Department of Public Instruction makes the payment, the school district would have a hard time getting their problem corrected.

Senator Flakoll said this addresses in subsection 2 of the amendment.

Senator Taylor said subsection 2 refers to payments to the school district, not the JPA. This seems more heavy handed to the district than the JPA.

Chairman Freborg said if a school district has a legitimate problem, what recourse do they have? He likes the district to pay for services they are getting, we haven't heard any complaints.

Tom Decker, Department of Public Instruction, appeared before the committee to answer questions. He said membership in a JPA is voluntary and is usually for a one year contract, payments flow on an annual basis.

Chairman Freborg asked if each district contracts for certain services and is each contract different.

Mr. Decker said there is a wide range of services. Districts and opt in or opt out of different services, some on an annual basis, some more frequently.

Chairman Freborg asked if these plans are made far in advance.

Mr. Decker said the JPA's planning for next year is starting now. Payments for next years services would be next fall except membership dues which are due in August.

Chairman Freborg asked about the recourse of a school district if they are unhappy with a JPA's services.

Mr. Decker said a JPA lives and dies on their level of service, they are a service organization.

Senator Gary Lee asked if the procedure described in subsection 1 of the amendment is different that how payments are made now.

Mr. Decker said reimbursement is made at the end of May to the school districts and they are then passed on to the JPA. The change would be that payments would then be made to the JPA on the same schedule as foundation aid. This is a cash flow issue and it assumes a level of faith and trust. The JPA's can't grow if they continue to have significant cash flow problems. The payment system now is an accounting nightmare.

Senator Taylor said we could continue to send payments to the school district but on the same schedule as foundation aid payments. It would be more complicated, what do the school districts say?

Mr. Decker said that would make the accounting nightmare even worse. All of the school districts he has talked to want the flow of money to go directly to the JPA. Fargo has been the most vocal in this request.

Senator Flakoll asked what is the overall budget of the nine JPA's.

Mr. Decker said he has the numbers but not with him at the moment, he will get them for the committee. The newest JPA's have budgets not much over their state aid, the Dickinson JPA has a budget nearly 4 times their state aid, the Great West JPA has received over \$1 million in grants. The dollars in the budgets vary considerably.

Senator Flakoll said he would like to see the budgets.

Senator Gary Lee confirmed the school districts don't want this JPA money flowing through their budgets.

Mr. Decker said that is correct, there is a potential for this money to distort the school district per pupil cost of education. If the accounting is done cleanly, it should balance out. The intent was to have dollars flow to the JPA's on the same schedule as foundation aid.

Senator Gary Lee moved the amendment .0801. Senator Taylor seconded the motion. The motion passed 5-0-0.

Senator Gary Lee moved a Do Pass As Amended on SB 2030. Senator Flakoll seconded the motion. The motion passed 5-0-0. Senator Gary Lee will carry the bill.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2030

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: none

Committee Clerk Signature

Minutes:

Chairman Freborg said because the committee amended SB 2030, he was advised that the bill would now need a fiscal note. Even though the attached fiscal note shows no fiscal impact, he said it should be a part of the record.

FISCAL NOTE
 Requested by Legislative Council
 04/24/2007

Amendment to: Engrossed
 SB 2030

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for a name change for JPA's, allows appropriations to flow directly to each JPA, and allows JPA to become school district business managers and to provide special education services.

The amended House version adds a number of interim studies to the bill.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

No fiscal impact as a result of House amendments.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

None.

Name:	Tom Decker	Agency:	Public Instruction
Phone Number:	328-2267	Date Prepared:	04/24/2007

FISCAL NOTE
 Requested by Legislative Council
 03/23/2007

Amendment to: Engrossed
 SB 2030

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for a name change for JPA's, allows appropriations to flow directly to each JPA, and allows JPA to become school district business managers and to provide special education services.

The amended House version adds a number of interim studies to the bill.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

No fiscal impact as a result of House amendments.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

None.

Name:	Tom Decker	Agency:	Public Instruction
Phone Number:	328-2267	Date Prepared:	03/26/2007

FISCAL NOTE
 Requested by Legislative Council
 01/22/2007

Amendment to: SB 2030

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for a name change for JPA's, allows appropriations to flow directly to each JPA, and allows JPA to become school district business managers and to provide special education services.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

None.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

None.

Name:	Thomas Decker	Agency:	Public Instruction
Phone Number:	328-2267	Date Prepared:	01/23/2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2030

Page 1, line 2, replace "educational associations governed by joint powers agreements" with "area service providers"

Page 1, line 3, remove "and" and after "15.1-09-33" insert ", 15.1-32-08, and 15.1-33-02"

Page 1, line 13, replace "educational associations" with "area service providers"

Page 1, line 15, replace "educational associations" with "area service providers"

Page 4, line 7, replace "educational association" with "area service provider"

Page 4, line 11, replace "Educational associatlon" with "Area service provider"

Page 4, line 13, replace "educational association" with "area service provider"

Page 5, line 1, replace "educational associations" with "area service providers"

Page 5, line 2, replace "educational associations" with "area service providers"

Page 5, line 9, replace "educational association" with "area service provider"

Page 5, line 12, replace "educational association" with "area service provider"

Page 5, line 15, replace "educational association" with "area service provider"

Page 6, line 19, replace "educational association" with "area service provider"

Page 6, line 21, replace "association's" with "provider's"

Page 7, line 9, replace "educational association" with "area service provider"

Page 7, line 11, replace "educational association" with "area service provider"

Page 7, line 12, replace "educational association" with "area service provider"

Page 7, line 13, replace "educational association" with "area service provider"

Page 7, line 15, replace "educational association" with "area service provider"

Page 7, after line 15, insert:

"15.1-09-03. Area service providers - Provision of special education and related services - Annual plan. An area service provider may prepare an annual plan

regarding the provision of special education and related services on behalf of its members and submit the plan to the superintendent of public instruction for approval.

15.1-09.1-04. Area service providers - Provision of special education and related services - Powers. An area service provider that provides special education and related services may:

1. Receive and expend state and federal moneys for the provision of special education and related services to the students of its member districts;
2. Employ personnel necessary to carry out administrative services, itinerant instruction, coordinative services, and related services; and
3. Receive and expend private and public moneys.

15.1-09.1-05. Area service providers - Provision of special education and related services - Student transportation - Coordination. An area service provider shall plan and coordinate the transportation of students who are enrolled in its member districts and to whom it provides special education and related services."

Page 7, line 16, replace "15.1-09.1-03" with "15.1-09.1-06"

Page 7, line 17, replace "educational association" with "area service provider"

Page 7, line 18, replace "association's" with "provider's"

Page 7, line 19, replace "association's" with "provider's"

Page 7, line 20, replace "**15.1-09.1-04. Educational association**" with "**15.1-09.1-07. Area service provider**"

Page 7, line 21, replace "educational association" with "area service provider"

Page 7, line 23, replace "educational" with "provider"

Page 7, line 24, remove "association"

Page 7, line 26, replace "association" with "area service provider"

Page 7, line 27, replace "educational association's" with "provider's"

Page 7, line 28, replace "15.1-09.1-05" with "15.1-09.1-08"

Page 7, line 29, replace "educational association" with "area service provider"

Page 8, after line 2, insert:

"SECTION 5. AMENDMENT. Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

15.1-32-08. School districts - Provision of special education. Each school district shall provide special education, ~~singly or jointly with other districts,~~ and related services as a single district, as a member of a multidistrict special education unit in accordance with this chapter 15.1-33, or as a member of an area service provider approved by the superintendent of public instruction under chapter 15.1-09.1. Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

SECTION 6. AMENDMENT. Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-33-02. Multidistrict special education units - School district participation. A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education."

Page 8, line 3, replace "EDUCATIONAL" with "AREA SERVICE PROVIDERS"

Page 8, line 4, remove "ASSOCIATIONS"

Page 8, line 6, replace "educational association" with "area service provider"

Page 8, line 8, replace "educational association" with "area service provider"

Page 8, line 9, replace "educational associations" with "area service providers"

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2030

Page 8, after line 2, insert:

"15.1-09.1-06. State aid - Payable to area service provider - Obligation of district.

1. The superintendent of public instruction shall forward the portion of a school district's state aid that is payable by the superintendent as a result of the district's participation in an area service agency directly to the area service provider of which the district is a member. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
2. If the superintendent of public instruction determines that a school district failed to meet any contractual or statutory obligation imposed upon it as a result of the district's participation in an area service provider, the superintendent shall subtract the amount for which the district was not eligible from any future distribution of state aid to the district under section 15.1-27-01."

Renumber accordingly

