

Dr. Matthew Lonn Testimony to Senate Appropriations Committee

Chairman Holmberg and members of the senate appropriations committee, I speak to you today on behalf of North Dakota's Center for Distance Education (NDCDE, CDE). For the record, I am Dr. Matthew Lonn, Director at the Center for Distance Education.

Center for Distance Education (CDE) has been given three specific responsibilities under Century Code 15-19-01, that is to provide: (1) K-12 courses, (2) comprehensive educational support, and (3) high school diplomas. Put simply, the guiding purpose of CDE is to provide learning opportunities for ND's K-12 learners. The mission that continues to be at the center of everything the organization does is to ensure that all ND students, regardless of location have access to educational opportunities that meet or exceed customer expectations for quality of curriculum, contact time with highly qualified instructors, course delivery efficiency and effectiveness, and student learning.

Throughout the 2019-2021 biennium, your investment in Center for Distance education proved to be invaluable. When the COVID-19 pandemic broke out in March of 2020, ND schools, students, and parents had a trusted distance learning organization that they could rely on to provide vital services. During the 2019-2021 biennium, CDE will have enrolled ND students in over 15,000 online courses. That is an increase from the previous biennium of over 50%. In addition, over 6,000 enrollments will have worked with schools or organizations that leverage CDE's learning management system, and over 3,000 students will have actively participated hands-on, blended learning labs supported by CDE. Overall, nearly 20,000 students will have been provided learning opportunities through CDE.

It is important to remember that even pre-pandemic, students, parents, and schools utilizing CDE's services had been increasing at annual growth rates of 4-7%. Even without COVID-19, CDE anticipates that over 10,000 online course enrollments would have occurred. The reasons for this are many. But essentially, CDE fills needs across the K-12 educational landscape. These are often unique needs that must be met for specific situations. The following are just a few actual examples that CDE saw over the 2019-2021 biennium.

- A small rural school is notified in December that their math teacher will not be returning. Dozens of ND schools want to offer ag. courses but are unable to hire any qualified applicants.
- A district cannot find any qualified business or Spanish instructors.
- A student in a local school fails a course and needs to retake it at their own pace to stay on track for graduation.
- A student cannot fit certain courses that they want to take in their local school schedule. Students want to explore topics that their school cannot offer.
- Students want to take courses that help prepare them for industry recognized certifications, asynchronously.
- A school cannot find enough funds to provide students with a quality blended, project-based, hands on learning environment.

- Because of bullying or other mental health issues, a student needs an alternative to traditional, face to face instruction.

Looking forward into the 2021-2023 biennium, CDE has the opportunity to help more kids. Based on feedback from parents and schools, the need is great for CDE's services. CDE anticipates annual growth in students needing supplemental online courses of at least 3% annually. In addition, CDE's growth in industry recognized certification preparation courses, adaptive technology, and competency-based learning opportunities hold great potential to help kids improve mastery of skills in an online delivery format. These developments in online course delivery hold potential to help CDE continue to increase its successful completion rate from 84% to 90% over the next two years. CDE also anticipates growth of blended, hands-on project-based learning with approximately 5 new labs installed and supported annually averaging over 1,500 more students each year. Lastly, CDE will continue to innovate internally to leverage new efficient processes like a rapid enrollment feature that leverages the SLDS database to improve the customer enrollment and payment experience.

To meet these expectations of students, parents, and schools, CDE is not requesting any additional FTE's. CDE is requesting a general fund allocation of \$6.7 million and special fund spending authority of \$3,050,000 for a total budget of \$9,750,000. This request reflects a 6% increase in general funds from CDE's 2019-2021 general fund allocation. This increase is necessary for CDE to continue to provide learning opportunities for the expected 11,000 enrollments utilizing CDE's services. The increase in general funds would be allocated to salaries and wages and would allow CDE the ability to hire the additional adjunct/temporary instructors needed to work with each one these students. CDE's operational expenses for each additional learner will continue to be collected from tuition and fees.

CDE is both a school and a state agency. Just like any other ND K-12 school, it must rely on tax dollars allocated from the state legislature. As a state agency, it must also generate revenue from the services it provides. This delicate balance allows approximately 65% of CDE's funding to come directly from state general funds and 35% of CDE's funding to be obtained by a per user fee or tuition payments. CDE's pricing strategy must meet two key objectives. (1). CDE sets a price that allows nearly all its operational expenses to be paid for with special funds. (2). Prices must be competitive with out of state online providers. Over a decade ago, CDE was asked by both the executive and legislative branches to help reduce the use of poor quality, out of state, online providers being used in ND. Keeping prices at current competitive rates is vital to keeping a quality online K-12 service in ND.

CDE is not simply an add-on to ND's K-12 educational system. CDE is a necessity that ensures a uniform system of education can be provided to every student.

Thank you for your time. I will now stand for any questions.

Dr. Matthew Lonn, State Director  
 North Dakota Center for Distance Education