



North Dakota Legislative Council

Prepared by the Legislative Council staff
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TESTIMONY - HOUSE BILL NO. 1027 SENATE EDUCATION (ROOM - 216J - 9:00 A.M.) MARCH 9, 2021

Chairman Schaible and members of the Senate Education Committee, good morning. For the record, my name is Dustin Assel. I am a staff attorney with the Legislative Council. I staffed the most recent interim Education Policy Committee. House Bill No. 1027 (2021), which is before you today, was recommended out of the interim Education Funding Formula Review Committee. I was not the primary staff person on that committee, but I was involved with the committee and I did assist on drafting the legislation which is before you today. This testimony is provided in a neutral capacity. I am here only to provide background and information regarding the recommendations of the interim committee.

The bill was introduced by the Legislative Management at the request of the 2019-20 interim Education Funding Formula Review Committee.

Section 20 of 2019 Senate Bill No. 2013 directed a study of school transportation, including district routes, expenditures, reimbursement, and possible efficiencies. The study was assigned to the interim Education Funding Formula Review Committee. Currently, every session there is a section placed in the Department of Public Instruction's budget bill with language requiring student transportation aid payments to be made according to calculations under the formula as it existed on June 30, 2001. The department then references their aid payment worksheets that comply with the law as it existed on June 30, 2001, and updates the payment amounts to reflect current rates before making payments to the districts. Payments are done this way because during the 2001 legislative session, the Legislative Assembly completed a re-write of the K-12 education provisions and moved the rewritten provisions, including transportation aid payments, from title 15 to newly created title 15.1. However, the transportation aid payment codified sections were then subsequently repealed in 2003. As a result, there is not currently any language in North Dakota Century Code addressing student transportation aid payments, other than the session law language that is enacted each legislative session.

During the course of the interim committee's work on this topic, the committee asked for a bill that would recodify the transportation aid payment sections as they existed in 2001 with updated payment rates to reflect current practices.

EXPLANATION OF THE BILL

House Bill No. 1027 (2021) was recommended out of the interim committee and accomplishes the goals of the interim Education Funding Formula Review Committee. The bill consists of 6 sections. The bill creates 5 new sections to North Dakota Century Code chapter 15.1-27 regarding state aid to recodify the transportation aid payment sections as they existed in 2001 with updated rates, and amends section 15.1-31-05 regarding the transportation of open enrolled students.

The bill was also amended and engrossed by the House.

Section 1 of the bill lists the amount that the superintendent of public instruction shall pay each school district providing transportation in contract schoolbuses or district owned and operated buses. To reflect current practices and rates, the bill provides 52 cents per mile for vehicles with a capacity of 9 or fewer, and one dollar and eleven cents per mile for vehicles with a capacity of 10 or more. The section also provides for 30 cents per one-way trip for each student transported. Subsection 3 provides the reimbursement rate of 52 cents per day per mile one way for each mile over two miles for students transported by family transportation under section 15.1-30-02, which is the section on student transportation by family transportation. Subsections 4 and 5 reflect the law as it existed in 2001. There was a subsection 6 in the introduced bill which required the superintendent of public instruction to develop a uniform cost accounting system to calculate and administer the reimbursements. However, the

subsection was removed in the engrossment. I believe the subsection was removed because the accounting system already exists and the language is unnecessary.

Section 2 addresses transportation rates for special education students. Section 2 in the introduced version of the bill included language limiting a school district to one per student payment for transportation of a student, regardless of the number of times the student is transported during the day. The language was removed in the engrossment and the subsections were renumbered. The language in the current bill reflects the law from 2001 with updated rates, with the exception of the aforementioned amendment, with the same amounts as provided in section 1 of the bill.

Section 3 addresses the transportation of Career and Technical Education students. The language references and reflects the rates laid out in section 1 of the bill. Similar to section 2, section 3 of the bill also included language limiting a school district to one per student payment for transportation of a student, regardless of the number of times the student is transported during the day, in the introduced version of the bill which was removed in the engrossment.

Section 4 addresses the distribution of payments in the event of a school district closure and reflects the language of the previous law before the sections were repealed. This section was not affected by the amendment that created the engrossed version.

Section 5 addresses state payments to school districts and the procedure the superintendent of public instruction must follow when making the payments. The language reflects the law as it existed in 2001 before the sections were repealed. Subsection 2 states that a school district may not receive more than 90% of the actual cost incurred, which is a limitation that existed under the law before the sections were repealed.

Section 6 amends language in section 15.1-31-05 regarding the transportation of open enrolled students. Per request of the interim committee, language was added to the section to disallow transportation aid payments in situations involving tuition waiver agreements between school districts. The language prohibits a school district from receiving mileage payments under section 1 of the bill for transporting open enrolled students, or students transported by family transportation, who are enrolled pursuant to a tuition waiver agreement between school districts. The section still allows the district to receive the ridership payment provided for under subdivision b of subsection 1 of section 1 of the bill.

Mr. Chairman and members of the committee, that concludes the information I have prepared for you today. Thank you.