



SPECIAL EDUCATION FUNDING COMMITTEE

Wednesday, September 16, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative David Richter, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives David Richter, LaurieBeth Hager, Karla Rose Hanson, Jim Jonas, Eric J. Murphy; Senators Todd Beard, Jamie Selzler; Citizen Members Brandt Dick, Lindsey Dirk, Justin Fryer, Shawn Huss, Rhandi Knutson, Carly Retterath, Beth Slette, Sheri Twist

Members absent: Representatives Scott Louser, Anna S. Novak; Senator Michelle Axtman

Others present: Senator Brad Bekkedahl, member of the Legislative Management
Stanley Schauer, Jr. and Adam Tescher, Department of Public Instruction
See [Appendix A](#) for additional persons present.

It was moved by Representative Murphy, seconded by Representative Jonas, and carried on a voice vote that the minutes of the May 6, 2026, meeting be approved as distributed.

SPECIAL EDUCATION FUNDING STUDY

Mr. Adam Tescher, School Finance Officer, Department of Public Instruction, presented information ([Appendix B](#)) regarding funding for special education included in the per student payment rate and provided through the state school aid formula and the special education contracts line item, special education contract reimbursements, and rates for services charged by residential facilities and school districts. He noted:

- From 2020-21 to 2025-26, formula funding for special education increased by 25.2 percent, which includes an increase in the weighting factor for special education from 0.082 to 0.088 and increases in the per student payment rate, while the number of students receiving special education services increased by 11.9 percent and reported special education expenses increased by 22.7 percent.
- In addition to the special education weighting factor, which is applied to total enrollment, the per student payment rate, proposed by Picus Odden & Associates in 2014, included funding for special education teachers and aides.
- The special education contracts line item provides reimbursement to school districts for excess costs for a student with a disability or significant medical condition exceeding 4 times the state average cost of education per student.

In response to questions from committee members, Mr. Tescher noted:

- The disparity in rates charged for various services is attributable to hired versus contracted staff, of which the rates for the latter are significantly higher.
- The average cost of education per student means the actual expenses statewide, including construction, administration, and operations, divided by the average daily membership for the state, which is approximately \$16,000 to \$17,000 per student. Recently, the special education

contract formula has resulted in reimbursement for just under the top 1 percent of high-cost students statewide as provided in North Dakota Century Code Section 15.1-32-18.

- The per student payment rate is \$11,633 for the 2026-27 school year and is comprised of state funds and local revenue derived from property tax and "in lieu of" tax revenue. The state contribution to the state school aid formula ranges from 0 to 98 percent for individual school districts and averages approximately 74 percent statewide.

READING AND MATHEMATICS PROFICIENCY STUDY

Mr. Stanley Schauer, Jr., Assistant State Superintendent, Data and Assessment Office, Department of Public Instruction, presented information ([Appendix C](#)) regarding the latest student performance data. He noted:

- State assessment data from 2024-25 should not be compared to previous years due to implementation of a new assessment, and also should not be compared to subsequent years because of testing errors.
- Data from 2025-26 will be the new benchmark for longitudinal data comparisons going forward.
- The scale for scores in mathematics and English language arts for all grades has been modified to implement a 0 to 1000 scale with proficiency established at a score of 500 in place of the previously used arbitrary numbers.
- A score of 500 on the 1000 scale indicates proficiency but does not correlate to 50 percent correct answers to assessment questions.

Committee discussion indicated a need for increased data literacy regarding publicized standardized test scores and a need for greater public knowledge of the rigor and purpose of standardized assessments, which the department could consider addressing through educational outreach.

COMMENTS BY INTERESTED PERSONS

Dr. Elisa Diederich, Director of Special Education, Grand Forks Special Education Unit, provided comments regarding census-based special education funding. She noted:

- In 2004, there were 197 students in the state with autism, compared to 2,182 in 2024. In 2004, in the state, there were 960 students with other health impairments, including other mental health diagnoses, compared to 3,183 in 2024.
- Due to the increased number of students receiving special education services, school districts must hire additional teachers and specialists.

Ms. Holly Friedrich, Special Education Teacher, West Fargo, provided comments regarding special education funding, special education teacher retention, and academic outcomes for students with disabilities. She noted:

- Strategies to support special education teacher retention include providing compensation for the additional work uniquely required by special education teachers, providing additional nonstudent-facing time during the school day, hiring student mental health support professionals in schools, coordinating with social workers to support student needs, and increasing family engagement.
- The state assessment is not designed for students with disabilities and does not optimally measure growth for these types of learners.

Ms. Ember Fitch, Special Education Teacher, West Fargo, provided comments regarding the Paraprofessional to Teacher Pathway Program and special education teacher retention and challenges. She noted:

- The Special Education Teacher Mentorship Program and the Paraprofessional to Teacher Pathway Program are excellent programs.
- Specialized training, including medical, behavioral, interpersonal, and cultural, is essential for preparing a special education teacher to be successful.

Ms. Brandi Spray, Special Education Teacher, West Fargo, provided comments regarding special education teacher workloads. She noted:

- A major concern of special education teachers is not inadequate salary, but the workload required in exchange for the salary is unsustainable. For instance, one special education teacher may be required to provide the services of a reading interventionist and a case manager, each of which could be a full-time job.
- Hiring additional staff to offset the overwhelming workload is an additional cost to already strained school district budgets.

Ms. Alexis Rasset, Special Education Teacher, Mandan, provided comments regarding workload expectations. She noted:

- When special education teachers are unable to provide requisite services to students, general education teachers must provide the services without adequate training.
- Some students who need small group services or one-to-one services are not receiving such services because schools have unfilled special education teacher and paraprofessional positions.

Ms. Anna Syverson, Special Education Teacher, Cooperstown, provided information regarding the increasing complexity of services provided to special education students. She noted:

- The complexity of services needed has increased. The funding model should respond to the increasingly complex level and corresponding increased cost of services.
- The state is in need of a strong paraprofessional workforce with quality training opportunities for initial licensure and continuing education.

COMMITTEE DISCUSSION

Mr. Shawn Huss, Director of Special Education, Wilmac Special Education Unit, presented information ([Appendix D](#)) regarding three special education funding proposals. He suggested the Legislative Assembly consider:

- Reducing the threshold for high-cost student reimbursement from a multiplier of 4 times the average cost of education per student to 3 or 3.5, which would increase the number of students who qualify for the reimbursement, reducing the school district budget by that cost.
- Appropriating additional funding for the Paraprofessional to Teacher Pathway Program and expanding the program to include an intermediary step between paraprofessional and special education teacher certification for a special education technician certification.
- Ceasing reduction in state aid by the state share of the Medicaid reimbursement from the federal government, thereby negating the need for behavioral health school grant funding through the Department of Health and Human Services. Alternatively, the Legislative Assembly could expand the permissible ways school districts can spend Medicaid reimbursement funds to allow for behavioral health and special education expenses.

Committee discussion suggested the Legislative Assembly consider:

- Increasing funding for the Paraprofessional to Teacher Pathway Program to include special education technicians.
- Including scholarships and loan repayment for special education technicians in the North Dakota Career Builders Program.
- Assisting school districts with training programs that lead to a special education technician certification.
- Reimbursing school districts for a percentage of the actual cost of providing special education services without impacting per student payment rate increases in the next biennium.
- Maintaining high-cost student reimbursement contracts.

It was moved by Senator Selzler, seconded by Representative Hanson, and carried on a roll call vote that the committee recommend the Legislative Assembly consider reducing the threshold for the reimbursement of high-cost students from a multiplier of 4 times the state average cost of education per student to a multiplier of 3 times. Representatives Hager, Hanson, and Jonas and Senator Selzler voted "aye." Representatives Richter and Murphy and Senator Beard voted "nay."

It was moved by Senator Beard, seconded by Senator Selzler, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and to present the report to the Legislative Management.

It was moved by Representative Hager, seconded by Senator Selzler, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Richter adjourned the committee sine die at 4:00 p.m.

Sheila M. Sandness
Senior Fiscal Analyst

Liz Fordahl
Counsel

ATTACH:4