

Date: 1/21/2025

Testimony in Opposition to HB 1172

House Education Committee

Chairman Heinert and Members of the House Education Committee:

Thank you for the opportunity to testify on HB 1172. For the record, my name is Dr. Alyssa Martin, and I serve as the state director of the North Dakota Center for Distance Education (NDCDE). I am here today to express strong opposition to this legislation, which I believe has been presented as a policy adjustment but is, at its core, a fiscal bill. While there is a fiscal note attached, it addresses local schools and fails to account for the significant impact this legislation will have on NDCDE as a state agency. This omission overlooks the operational challenges and funding instability HB 1172 will create for the state's only virtual school—an institution that has become essential to the educational fabric of North Dakota.

Slide 2: Legislative Context

NDCDE has long had the authority to assess a fee for its services. Over time, what has shifted is who pays and who determines when students can enroll in our courses. Before the pandemic, parents bore the financial burden. However, during Covid-19, many districts covered the cost of our courses to meet the urgent need for virtual instruction. Parents also became more engaged in their children's education during this time, and as schools returned to in-person instruction, some sought ways to maintain virtual learning as part of their children's education.

Choice was the impetus for HB 1376 during the 68th legislative session, when the North Dakota Legislature took a bold step to expand access to NDCDE by asking districts to cover the cost of enrollment. This removed financial barriers for families and allowed more students to benefit from the flexibility and quality education we provide.

HB 1172 places restrictions on virtual school choice, with districts only required to pick up the cost of NDCDE courses when they do not offer a course or when there is a conflict with a student's "preferred schedule." This latter terminology is somewhat unclear, which will likely lead to debates about when a scheduling conflict, whether actual or perceived, on the part of the student or school actually exists and who decides, leaving room for disputes about eligibility and decisions on financial responsibility. In all other cases the financial responsibility for NDCDE courses shifts back to the parents.

Slides 3-4: Who's Left Out Under HB 1172?

This legislation leaves many students without a choice related to virtual education, especially many disadvantaged students. Families turn to us for many reasons beyond those that are the financial responsibility of schools under this proposed law: to provide flexibility for students recovering from medical issues, support for students seeking credit recovery, individualized learning opportunities, alternative instructional methods, continuity for students who are in foster care and highly mobile, or to create safe and accommodating learning environments for students facing bullying or other challenges. To expand on the issue of safety, I have seen a bill attempting to address how schools respond to student sex offenders—something that virtual education could easily help address but not a reason for districts to pay for NDCDE courses under this proposed bill.

There are so many students who need the support, alternative modality, and flexibility that NDCDE provides, but this legislation creates a financial barrier for many of them. I covered the slide on enrollment reasons with you last week. I show it again to remind you that over 34% of parents and 38% of our students in our survey sample cited a reason other than scheduling or lack of local course offerings for attending NDCDE.

Slide 5: Enrollment Trends and Revenue Impact

Our enrollment peaked during the 2023-25 biennium, reflecting the success of legislative support and expanded programming. We served more than 28,000 course enrollments during this period, a testament to the growing demand for flexible, high-quality education. However, if HB 1172 is enacted, we project a return to 2017-19 revenue levels, when parents were primarily responsible for tuition costs. This reduction would force us to cut staff and course offerings, weakening our ability to serve students effectively as our tuition revenue shrinks by millions. While our growth has allowed us to meet the needs of students statewide, this bill threatens to undo that progress. A "stop-and-go" approach to NDCDE access jeopardizes the progress we have made and the future of virtual education for North Dakota students.

Slide 6: Staffing Challenges

Currently, NDCDE employs 104 individuals, including 29 full-time staff, 11 full-time temporary teachers and support staff, and 64 adjunct instructors. These educators are the backbone of our operations, providing personalized instruction and high-quality support. HB 1172 jeopardizes their positions. A rollback in funding would force us to downsize, leading not only to immediate staffing losses but also to future challenges in recruiting quality teachers due to the instability introduced by this bill. Maintaining a talented workforce requires a stable funding model, which HB 1172 undermines.

Slide 7: Course Offerings

As shown in slide seven, the number of courses we offer has fluctuated based on enrollment trends, quality analyses, and workload policies. While we have reduced some offerings temporarily to optimize resources, our long-term goal is to expand courses as demand grows. If we can sustain the resources gained through recent growth, we can reinvest in new offerings to serve North Dakota students better. HB 1172 would curtail this potential, forcing reductions that harm students' access to diverse and rigorous educational opportunities.

Slides 8-9: Financial Considerations

NDCDE operates with a modest general fund appropriation, which has remained unchanged despite our rapid growth spurred by 2023 legislation. You have seen slide eight before, which I included to highlight an important point: NDCDE's financial impact under HB 1376 has been wildly misunderstood. The reality is that the majority of districts are not paying hundreds of thousands of dollars to NDCDE. As shown in the data, the average total spending per district for FY 24 and FY 25 combined is just \$28,024, with smaller districts averaging as little as \$7,801 for the biennium. I've also provided a report approximating the percentage of district expenditures spent at NDCDE during a 12-month period. While I could only analyze 22-23 district expenditure data—and NDCDE-related expenditures did not increase until the passage of HB 1376 at the start of FY24—this still offers insight into district spending patterns. For most districts, NDCDE represents less than 1% of their budgets.

Even the largest districts, many of which operate their own virtual academies while receiving foundation aid for those enrollments, have spent an average of just \$349,920 over two years—a fraction of their nine-figure budgets. Slide 9 breaks down NDCDE expenditures by school districts with virtual academies, both large and small, to drive home this point: Districts have an opportunity to collaborate strategically with NDCDE by monitoring enrollment trends and leveraging its services where it makes sense to phase out duplicative offerings and leverage cost savings to reinvest elsewhere in the district. By working together, districts can take advantage of the affordable, high-quality educational support NDCDE provides, ensuring students have access to expanded learning opportunities while protecting local resources. This partnership approach allows schools to focus on core priorities while relying on NDCDE's established infrastructure and instructional expertise to meet diverse student needs.

Slides 11-12: What Districts Receive from NDCDE for the Cost of Tuition

You have seen slide eleven before, which highlights that for \$229 to \$259 per course, districts receive curriculum, instruction, technology support, and student support services, while retaining the remainder of their foundation aid. NDCDE delivers these services with a strong commitment to quality. I have previously walked you through the academic safeguards we have in place—safeguards that we continuously refine by collaborating with school stakeholders and incorporating their feedback.

One element not included in our tuition cost is a learning coach to proctor exams and assist with troubleshooting. For this, we rely on our district partners, who provide these resources using the foundation aid they retain for students enrolled in NDCDE courses. Despite this, the safeguards detailed on slide twelve are comprehensive and rival those offered by the top virtual schools nationwide.

Slide 11: District Autonomy

Many districts argue that HB 1172 is necessary to protect against the misuse of public resources when students are enrolled in NDCDE, expressing concerns that some students may misuse this free service instead of utilizing resources available through their schools. However, at a recent stakeholder meeting, key supporters of this bill acknowledged that students misusing NDCDE services are in the minority.

Slide eleven highlights the extensive autonomy NDCDE has already granted to schools through policy. For example, the entity paying for a course is responsible for enrolling the student, enabling schools to have critical conversations about course eligibility and fit before any district funds are expended. Schools can also set their own start and end dates for our courses, which otherwise default to a 20-week timeframe, and establish criteria for dropping or withdrawing students, such as due to inactivity. Additionally, when a student completes a course through NDCDE, districts retain the discretion to decide whether the percentage earned or the letter grade on the completion certificate is transcribed.

I have even advised schools that if a student begins a course in the district and later transfers to NDCDE, the district could apply a combined and weighted grade. Addressing the local challenges of incorporating virtual education into a student's learning experience simply requires innovation and, perhaps, outreach to my team. Unfortunately, few districts have fully leveraged the autonomy we have intentionally provided through our policies.

Slide 12: Conclusion and Next Steps

NDCDE is not just a provider of coursework; we are a lifeline for students who need flexibility, quality, and support to succeed. Shifting the financial burden onto families will create significant barriers for those who need us most, including students from low-income households and those already facing substantial educational challenges.

House Bill 1172 is a step backward for North Dakota's education system. It undermines the intent of previous legislation, destabilizes NDCDE, and jeopardizes access for thousands of students who rely on us. As the state's only virtual school, NDCDE has consistently demonstrated its ability to meet the growing demand for flexible, rigorous education while maintaining fiscal responsibility.

I urge this committee to reject HB 1172 to ensure NDCDE can continue providing the high-quality services that North Dakota students and families depend on. Behind every enrollment number is a student whose future is shaped by the opportunities we provide, and it is our collective responsibility to safeguard their access to education. Several parents have submitted testimony advocating for a "do not pass" recommendation on this bill, and I encourage you to take the time to read their stories.

Through my testimony today, I hope to have represented the many students who could not or chose not to share their stories—because the numbers speak for themselves. There is an overwhelming demand for virtual education in North Dakota, and we remain committed to providing these students with the free access they need to achieve their educational goals.

To provide further perspective, Emily Schaefer, NDCDE's Assistant Principal, will testify remotely to share insights on the diverse reasons students attend NDCDE and the critical importance of preserving access for all learners. Please recommend a do not pass on HB 1172. This concludes my testimony.

