

1999 HOUSE EDUCATION

HB 1427

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1427

House Education Committee

Conference Committee

Hearing Date 2-2-99

Tape Number	Side A	Side B	Meter #
Tape # 2		x	5.1 to 44.3
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:

Chairman R. Kelsch , Vice-Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep. Haas ,
Rep. Johnson , Rep. Nelson , Rep. Nottestad , Rep. L. Thoreson , Rep. Grumbo , Rep. Hanson ,
Rep. Lundgren , Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R. Kelsch : Open the hearing on HB 1427 and ask the clerk to read the title.

Rep Stefonowicz: District 2 (see written attached).

Vice-Chair Drovdal : We are spending the money and we have no way to raise it. Is this putting
the cart before the horse.

Stefonowicz: Something has to be acted on first, we could wait and raise the taxes first.

Chairman R. Kelsch : There is a fiscal note attached to the bill and the chair read the note.

Discussion was held on the fiscal note.

Rep Brandenburg : We are putting in 450 million in k-12, we are looking at going on record that we are more than doubling the state funding. We will have to find a way to generate more money.

Stefonowicz: We will have to raise 112 million over the next four years.

Rep. Nelson : The increase in state funding would be off set by property tax relief. Is that the intention? There is no new money going into this plan.

Stefonowicz: The language is confusing, but the net effect would be if you raised the foundation aid and less money coming from the local sources.

Rep. Nelson : In line 15, we would shifting state funds, in fact we are raising revenue for our schools. Property tax relief is a part of this, would you expect at the end of the four biennium's we would still be experiencing some property tax relief?

Stefonowicz: It is hard to predict where cost of education would go.

Rep. Solberg : I need clarification on the additional millions.

Chairman R. Kelsch : The addition millions would be 156.9 million over the next years.

Rep. Solberg : Additional millions, looking for them.

Chairman R. Kelsch : That would be what the total appropriation would be over the two biennium's, above the Governors budget.

Vice-Chair Drovdal : We usually fund by per pupil payment, this language puts it into a per centage, if we send out the per cent, then we realize we have not sent out enough, at the end of the biennium are we going to get a bill from the school?

Stefonowicz: The Implementation won't be on a per centage.

Rep. Nowatzki : The dollars were they expenditures over and above current spending or over and above what is currently recommended?

Chairman R. Kelsch : Currently in the executive budget.

Max Laird: President of NDEA, we're confused. For the record the executive budget is low and other numbers presented are high, if the level would be seventy per cent, we would be happy.

Mary Spichal: North Dakota Association of University Women. (see written attached).

Ron Torgeson: ND Association Education Leaders: appeared in a neutral position.

Chairman R. Kelsch : They have increased the governors recommendation, a total appropriation of 522 million.

Jerry Coleman: That is correct, but Ron is also correct in the governors recommendation I did not take out transportation. The fiscal note would be 36 million higher for each year.

Chairman R. Kelsch : So on the total I gave you before you would have to add 72 million for four years.

Torgeson: If you do remove lines 13 through 16, that makes a difference in our support of the bill.

Dean Bard: This bill does not appropriate any money for education. As legislative assembly, we cannot bind the next session to do something. This bill just recognizes what is going on.

Chairman R. Kelsch : Jerry Coleman with DPI was called back to give some clarification on the bill and how numbers were arrived at. Chairman asked for a new fiscal note for HB 1427.

We will close the hearing on HB 1427.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1427-2-15-99

House Education Committee

Conference Committee

Hearing Date 2-3-99

Tape Number	Side A	Side B	Meter #
Tape # 3		x	29.9 to 33.4
Committee Clerk Signature <i>Jean Davis</i>			

Minutes:

Chairman R Kelsch, Vice Chair Drovdal, Rep Brandenburg, Rep Brusegaard, Rep Haas, Rep Johnson, Rep Nelson, Rep Nottestad, Rep L Thoreson, Rep Grumbo, Rep Hanson, Rep Lundgren, Rep Mueller, Rep Nowatzki, Rep Solberg.

Chairman R Kelsch: We will take up HB 1427. What are the wishes of the committee?

Vice Chair Drovdal: I move a DO NOT PASS as amended.

Rep Haas: Second.

Rep Mueller: I move an amendment. Strike lines 13, 14, 15.

Rep Hanson: Second.

Chairman R Kelsch: discussion. voice vote on the amendments. carried

Chairman R Kelsch: Discussion. We have a DO NOT PASS as amended motion and will ask the clerk to read the roll. The DO NOT PASS as amended motion passes 9 YES 6 NO

Page 2

House Education Committee

Bill/Resolution Number HB 1427 -2-15-99

Hearing Date 2-3-99

0 Absent Floor assignment - Vice Chair Drovdal.

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: _____ Amendment to: HB 1427

Requested by Legislative Council Date of Request: 02/08/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill declares legislative intent to support elementary and secondary education at 48% of the educational cost per student in the 1999-2001 biennium, 54% in the 2001-03 biennium, 57% in the 2003-05 biennium, 60% in the 2005-07 biennium. The educational cost per student was \$4,464 for the 1997-98 school year. The language does not specify what should be included in state support. This purposes of this note, state support is computed as the per student aid plus tuition apportionment minus the mill deduct per student. Education costs and taxable valuation were increased 2% each year and enrollments were decreased 1.5% each year in line with state estimates. Based on these assumptions, the per student payment rates would be established at \$2,335 and \$2,387 for the 1999-01 biennium and \$2,730 and \$2,790 for the 2001-03 biennium. At these payment levels, \$520.2 million and \$588.5 million would be required for the 1999-01 biennium and 2001-03 biennium, respectively.

The executive budget recommendation is \$475.9 M.

2. **State** fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures: **44,300,000** **112,600,000**

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____ 44,300,000
- c. For the 2001-03 biennium: _____ 112,600,000

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					44,300,000			112,600,000

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Jerry Coleman

Department ND Dept of Public Instruction

Phone Number 328-4051

Date Prepared: 02/08/99

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: HB 1427

Amendment to: _____

Requested by Legislative Council

Date of Request: 01/20/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill declares legislative intent to support elementary and secondary education at 48% of the educational cost per student in the 1999-2001 biennium, 54% in the 2001-03 biennium, 57% in the 2003-05 biennium, 60% in the 2005-07 biennium. The educational cost per student was \$4,464 for the 1997-98 school year. The language does not specify what should be included in state support. This purposes of this note, state support is computed as the per student aid plus tuition apportionment minus the mill deduct per student. Education costs and taxable valuation were increased 2% each year and enrollments were decreased 1.5% each year in line with state estimates.

Based on these assumptions, the per student payment rates would be established at \$2,335 and \$2,387 for the 1999-01 biennium and \$2,730 and \$2,790 for the 2001-03 biennium. At these payment levels, \$520.2 million and \$588.5 million would be required for the 1999-01 biennium and 2001-03 biennium, respectively.

The executive budget recommendation is \$475.9 M.

2. **State** fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures: **44,300,000** **112,600,000**

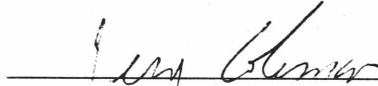
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____ 44,300,000
- c. For the 2001-03 biennium: _____ 112,600,000

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					44,300,000			112,600,000

If additional space is needed
use a supplemental sheet.

Signed 

Typed Name Jerry Coleman

Date Prepared: 01/21/99

Department ND Dept of Public Instruction

Phone Number 328-4051

Historical Per Pupil Expenditure, Pupil Payment, Tuition Apportionment and Mill Deduct Data

School Year	Actual Per Pupil Expenditures	Statutory Per Pupil Payment	Actual Per Pupil Payment	Tuition Apportionment	Actual Per Pupil		Taxable Valuation	ADM	Mill Deduct/ADM	Net Per Pupil and Tuition Apport. Pmt	Net Percent from Pupil and Tuition Apport.
					Payment and Tuition Apportionment	Local Share Mill Levy Deduct					
1973-74	831	540	540	31	571	0.020	658,235,947	138,076	(92)	479	58%
1974-75	938	540	540	42	582	0.020	671,209,499	133,625	(99)	483	52%
1975-76	1,097	640	640	38	678	0.020	714,225,794	132,737	(101)	577	53%
1976-77	1,212	690	690	47	737	0.020	735,673,642	130,121	(110)	627	52%
1977-78	1,376	775	775	47	822	0.020	775,281,443	126,254	(117)	705	51%
1978-79	1,544	850	850	53	903	0.020	803,767,456	122,126	(127)	776	50%
1979-80	1,741	903	903	80	983	0.020	830,442,532	118,574	(136)	847	49%
1980-81	1,957	970	970	106	1,076	0.020	869,904,028	117,313	(142)	934	48%
1981-82	2,392	1,425	1,425	98	1,523	0.020	917,920,637	117,185	(148)	1,375	57%
1982-83	2,477	1,591	1,353	158	1,511	0.020	938,686,969	117,320	(156)	1,355	55%
1983-84	2,577	1,400	1,400	176	1,576	0.020	951,779,114	117,444	(160)	1,416	55%
1984-85	2,851	1,350	1,350	202	1,552	0.020	998,380,663	118,090	(161)	1,391	49%
1985-86	2,960	1,425	1,425	209	1,634	0.020	980,108,754	118,024	(169)	1,465	49%
1986-87	2,949	1,455	1,367	216	1,583	0.020	976,761,047	117,981	(166)	1,417	48%
1987-88	3,041	1,400	1,400	215	1,615	0.020	973,962,097	118,376	(165)	1,450	48%
1988-89	3,213	1,412	1,385	206	1,591	0.020	962,760,380	118,536	(164)	1,427	44%
1989-90	3,427	1,525	1,411	199	1,610	0.021	959,536,307	118,097	(171)	1,439	42%
1990-91	3,425	1,545	1,480	198	1,678	0.022	956,278,185	118,883	(178)	1,500	44%
1991-92	3,676	1,552	1,552	197	1,749	0.022	943,144,462	119,509	(176)	1,573	43%
1992-93	3,701	1,608	1,542	198	1,740	0.022	941,390,009	119,955	(173)	1,567	42%
1993-94	3,772	1,570	1,570	198	1,768	0.023	958,547,588	120,411	(180)	1,588	42%
1994-95	3,850	1,636	1,682	198	1,880	0.024	995,155,293	120,440	(191)	1,689	44%
1995-96	4,016	1,757	1,757	207	1,964	0.028	1,030,810,153	120,538	(231)	1,732	43%
1996-97	4,223	1,862	1,862	209	2,071	0.032	1,107,165,252	119,895	(275)	1,796	43%
1997-98	4,464	1,954	1,954	216	2,170	0.032	1,148,999,564	118,190	(300)	1,870	42%
1998-99	4,553	2,032	2,032	220	2,252	0.032	1,189,838,388	117,008	(314)	1,938	43%
1999-00	4,644		2,335	224	2,560	0.032	1,213,635,156	115,253	(330)	2,229	48%
2000-01	4,737		2,387	229	2,616	0.032	1,237,907,859	113,524	(342)	2,274	48%
2001-02	4,832		2,730	233	2,964	0.032	1,262,666,016	111,821	(354)	2,609	54%
2002-03	4,929		2,790	238	3,028	0.032	1,287,919,336	110,144	(367)	2,661	54%
2003-04	5,027		3,002	243	3,245	0.032	1,313,677,723	108,492	(380)	2,865	57%
2004-05	5,128		3,068	248	3,316	0.032	1,339,951,278	106,864	(393)	2,923	57%
2005-06	5,230		3,293	253	3,546	0.032	1,366,750,303	105,261	(407)	3,138	60%
2006-07	5,335		3,365	258	3,623	0.032	1,394,085,309	103,683	(422)	3,201	60%

VK
2/4/99

HOUSE AMENDMENTS TO HOUSE BILL NO. 1427 **Edu 2-04-99**

Page 1, line 13, remove "For the purpose of determining the general fund levy limitation"

Page 1, remove lines 14 and 15

Renumber accordingly

Date: 2-3-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1427

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass as amended

Motion Made By Drovdal Seconded By Haas

Representatives	Yes	No	Representatives	Yes	No
Rep. ReaAnn Kelsch-Chairperson	✓		Rep. Dorvan Solberg		✓
Rep. David Drovdal-Vice Chair	✓				
Rep. Michael D. Brandenburg	✓				
Rep. Thomas T. Brusegaard	✓				
Rep. C. B. Haas	✓				
Rep. Dennis E. Johnson	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				
Rep. Howard Grumbo		✓			
Rep. Lyle Hanson		✓			
Rep. Deb Lundgren		✓			
Rep. Phillip Mueller		✓			
Rep. Robert E. Nowatzki		✓			

Total (Yes) 9 No 6

Absent 0

Floor Assignment Drovdal

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1427: Education Committee (Rep. R. Kelsch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (9 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1427 was placed on the Sixth order on the calendar.

Page 1, line 13, remove "For the purpose of determining the general fund levy limitation"

Page 1, remove lines 14 and 15

Renumber accordingly

1999 TESTIMONY

HB 1427

Testimony for House Bill 1427

Before the House Education Committee
Pioneer Room, ND State Capitol
Tuesday, February 2, 1999, 1 PM

Chairperson Kelsch and Members of the House Education Committee, I am here to urge your support of House Bill 1427.

For the record I am Representative Bob Stefonowicz from Legislative District Two. I am farmer in the Wildrose area. I was a teacher of science at Dickinson High School until 1995. While a teacher I served as a member of the Board of Directors of North Dakota Education Association for twelve years, four as the vice president.

I come before you today as a citizen requesting that you do everything in your power to increase the per pupil payment to schools. I am sure that you have heard much testimony about why the per pupil payments must be raised. I know that the property tax paying public is about to take some radical steps to get control of the rising property taxes.

At the 1997 North Dakota Farmers Union Convention a motion was made to have the North Dakota Farmers Union initiate a measure that would decouple expenditures for public schools and human services from property taxes. Some of us referred that motion to the Board of Directors of the North Dakota Farmers Union for them to study and report back. Farmers Union President Bob Carlson reported at the 1998 convention that they would not be initiating such a measure. I tell you this to let you know the serious nature of this debate. We have to act or the people will act.

I will leave it up to others more knowledgeable than me to give you the specific numbers for this bill. I urge your favorable recommendation on House Bill 1427.

I will be glad to answer any questions you may have.

Testimony on HB1427
House Education Committee
February 2, 1999

Madam Chairman

~~Mr. Chairman~~, members of the Education Committee, my name is Mary Splichal and I represent the North Dakota Association of University Women, also known as AAUW.

AAUW is well know for it's support of education. The ND AAUW has approximately 400 members. Last year at our state convention, we passed a resolution saying that we will work with the 1999 legislature to increase per pupil funding to the 1981-1982 level of 63.7% of the total costs per pupil. HB1427 increases the funding gradually and comes close to our goal, therefore AAUW supports this bill.

The ND AAUW members feel the reduction in per pupil funding has resulted in a crisis in our schools. In some districts the crisis is evident with deteriorating buildings, outdated textbooks and maps, differences in access to technology and training and low salaries for our teachers. These low salaries create difficulties in recruiting and retaining teachers in many communities and a declining quality education for those students.

Last week we heard testimony on a house bill that said the beginning wages for the teachers in Underwood, ND are less than \$14,000 a year plus benefits. That's below the poverty level! Today on the editorial page, in the Bismarck Tribune, Dale Christensen, a math teacher from White Shield School in Roseglen, wrote, "Our children are able to make the same salary that we receive by working at the local fast-food restaurant. Why would we advise them to follow us into the teaching profession?". Yesterday, I heard testimony on a house bill that said by the year 2011 over 5,000 active teachers and/or administrators will be eligible for retirement. Who are we going to hire to replace these people? I heard a Representative ask if it wasn't the idea of living in an isolated, rural community, that kept teachers from applying for some of the teaching positions. Well, perhaps that is true, however - if we offer them experience and a respectable wage, those jobs will be filled!

The ND Association of University Women are proud of our teachers and proud of the quality of education provided in our state. It is very upsetting to hear we have the lowest paid teachers in the nation! Our teachers and our children deserve better. We urge you to pass this bill.