

1999 SENATE EDUCATION

SB 2068

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2068

Senate Education Committee

Conference Committee

Hearing Date January 18, 1999

Tape Number	Side A	Side B	Meter #
1	X		3,207-to end of tape
1		x	0-2,345
1/25/99 2		x	1420-End
2/9/99 1	X		1429-2534
Committee Clerk Signature <i>Jinda Christman</i>			

Minutes:

SENATOR FREBORG opened the hearing on SB2068.

SENATOR WARDNER, District 37, Dickinson testified regarding SB2068. This bill comes to you because of a problem. There are three requirements: local money, grant money and loan from federal government. Local school districts cannot borrow from the federal government, but cannot get grant money unless you come into compliance with the loan. Good bill as it allows local school districts to use this option. Source for funding for technology. Waiting at federal level to see how it goes, given the consortium at Valley City a time in which to get this done. I believe 120 days extension. Have Mr. Reiner go over technical part and answer any questions. Superintendents and people involved that were going to be here are snowed in, in Eastern North Dakota.

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Senate Education Committee
Bill/Resolution Number Sb2068
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SENATOR ROBINSON, District 24, Barnes County, which is involved in a technology forming consortium with other schools. Very important for our situation. Cooperative effort underway.

No Written Testimony.

SENATOR O'CONNELL: The \$175,000, is there any reason for that ceiling?

Testimony in Favor: REP. BILL DEVLIN, District 23 No written testimony.

Testimony in Favor: REP. HAAS, District 36. I have a lot of experience in working with consortiums. Handle education like a business. There is a time when they need to take advantage of all of the funding mechanisms that there are. It might mean borrowing money.

TESTIMONY ON TECHNICAL:

MR. RENNER, technical consultant. Testimony attached.

SENATOR REDLIN: In relation to loan, who do you borrow from?

MR. RENNER: Department of Agriculture.

SENATOR REDLIN: What is your security.

Mr. Renner: The equipment.

SENATOR REDLIN: Each member of the consortium has been able to respond to their assessment.

Mr. Renner: Yes.

SENATOR COOK: Have all of these school districts passed the available 5 mill tax increase for technology?

Mr. Renner: I can not answer that question.

SENATOR COOK: Concerns of what you are putting in here, won't it be outdated in 5 years.

MR.. RENNER: The length of the loan is contingent upon the serviceability of equipment.

Great expandability. Gave us a 10 year loan.

SENATOR COOK: 10 years is a long time to be borrowing money for technology that becomes outdated the day after you buy it. Does each board have veto authority?

Mr. Renner: Right.

SENATOR COOK : SENATOR WARDNER mentioned 3 requirements for this loan. (1) your own money; (2) accept grant; and (3) borrow money. Is this true?

MR. RENNER: There are a lot of dedicated funds which cannot be used. 25-30% of total project was available to them.

SENATOR COOK: What and where is Valley City College in this consortium, were they in the decision making process and do they have the same authority as each high school board has and where and how much funding are they putting in?

MR. RENNER: They are putting in the same amount of money, same decisions, equal vote, etc. They had a separate article that had to be signed off by the Higher Ed Board and they are not restricted to accepting the loan portion. They could move ahead accepting this grant without this special legislation.

SENATOR FLAKOLL: Relating to technology, is there a provision in this document where you can lease. Can you go into a 2 year lease with some equipment?

MR. RENNER: Lease would run into some trouble. A lease in theory is a loan. Leasing is not an option.

SENATOR FLAKOLL: On items that are copyrighted, are they similarly protected. Is there a provision?

MR. RENNER: It is a problem. We built our own fiber optic system.

SENATOR FREBORG: Are we downloading copyrighted programs without paying for them?

Mr. Renner: That happens.

SENATOR FREBORG: You can be sued.

SENATOR REDLIN: Fiber optics, is it in existence and in purchasing the equipment do you have to deal with an exact company and an exact system. You cannot enter into a bid process.

MR. RENNER: We can entertain bids.

Tom Decker, Director of School Finance and Organization, DPI, appeared before the committee with written testimony.

See attachment.

SENATOR COOK: How many schools involved have raised their 5 mill tax increase for technology.

Tom: I don't know.

SENATOR COOK: How many of these school districts in your eyes have the student numbers that will be in school 10 years from now?

Tom: That is highly problematic. Provisions were put in their agreement to deal with situations in which a district goes out of business.

SENATOR WANZEK: Why an expiration date?

Tom: To bring it into compliance.

SENATOR FREBORG: What is the fewest number of schools that can form a consortium?

Tom: Two, the kind of technology Mr. Renner is talking about is text book. Have to help where we can in the area. Should have a better statewide plan.

SENATOR FREBORG: How do they assess the cost?

Tom: Would be a flat rate.

SENATOR FREBORG: DPI would not set those standards. Do you think it's wise to allow three or four consortiums?

Close hearing on SB2068.

Further discussion:

SENATOR O'CONNELL : I'd like to see it raised up to \$250,000.

SENATOR KELSH : Why would this go through appropriations. There is no fiscal note.

SENATOR FREBORG : Was there a fiscal note.

SENATOR WANZEK : What if it goes bad and they take the equipment. The equipment doesn't cover the loan. Are the schools personally liable for each one of their shares.

SENATOR FREBORG : Didn't Tom say they would have to set up administrative rules that dealt with a school that couldn't pay and wanted to opt out or something like that. If we were to pass out SB2042 that says the department will withhold foundation aid for any debt obligation they can't meet, would that include this.

SENATOR WANZEK : Are we back to intercepting foundation aid on any debt obligation.

SENATOR FREBORG : Not unless we pass out SB2042 like it is.

SENATOR WANZEK : Is the individual school district not going into debt, the consortium is but wouldn't that be viewed as a separate entity. Is each personally guaranteeing their share of the debt to the consortium.

SENATOR REDLIN : Deep pocket in the credit business. Think you would have an agreement with the lender.

SENATOR WANZEK : As far as bonding goes, we require that the taxpayers or voter of that district approve it at 60% approval. It appears to me that there is no oversight here, a district could go into the consortium and encumber the district, encumber the taxpayers and be liable up to their share of debt. How do we address that.

SENATOR REDLIN : Not sure you can. But they will try.

SENATOR COOK : Testimony this morning from Tom Decker, the categorizing of technology with the school book.

SENATOR FREBORG : We're allowing schools to begin borrowing money which we don't do, now they can issue certificates of indebtedness but that's different. Allowing them to borrow money to up to 10 years not sure we should set that precedent, but if we do, we should do what

SENATOR FLAKOLL said by putting a maximum dollar amount per school. So if you have two schools in a consortium they couldn't borrow a quarter of a million dollars on the motion prevailing at a board meeting. I am wondering if we shouldn't consider unanimous consent of the board to do this. We're not taking it to a vote of the people, you're indebting the district for 10 years.

SENATOR REDLIN : USDA project. Different deal when you are dealing with the federal government as the lender.

SENATOR COOK : Global Technology Inc. Is he putting this together.

SENATOR FREBORG : Possibly a consultant, yes he is.

SENATOR KELSH : Need time to think about this.

SENATOR FLAKOLL : Read the brochure on consortiums.

SENATOR KELSH : How many districts have the 5 mill levy.

SENATOR FREBORG : What will happen to the outdated equipment.

SENATOR COOK : I would like to find out if the fiber optic is in the ground. Fiber optics, are they talking a different line for ITV?

SENATOR FREBORG : I'm sure it is the same line, telephone companies are putting in fiber optics.

SENATOR KELSH : Most telephone companies now have fiber optics.

SENATOR FLAKOLL : Thought he said that is what they do, we install. This might be done but future ones would be part of his clientele.

Stand adjourned.

January 25, 1999-Tape 2, Side B Meter # 675.

SENATOR O'CONNELL: I will make a motion for line 12, page 1 to increase the pay from \$75,000 to \$250,000; page 2, line 2 should be changed to \$250,000.

SENATOR REDLIN: I second that motion.

SENATOR FREBORG: The language is to change \$75,000 to \$250,000, maximum that the principle can be borrowed by consortium. Any discussion?

SENATOR FLAKOLL: My preference would be for some tentative wording where there'd be a base per amount of dollars per school allocation. What would happen if this wouldn't work out, I would like to see a definition of the money per school.

SENATOR FREBORG: Do you have a certain amount of money in mind for individual schools not to exceed \$250,000?

SENATOR COOK : We don't have a statewide technology program that gives some direction to where we want to go with this. It's a problem that needs to find a solution. The raising of

money on a bill that already has some concerns on it just raises more concerns. What's the guarantee that if we pass this and a consortium spends the money, that it will conform to this?

SENATOR FREBORG: There is no guarantee. The only reason they're discussing it is because the state plan won't work without all of the schools.

SENATOR REDLIN: We already have a law that allows the development of a consortium. The basic law was already there but now we want to give them their own authority. Everyone needs to vote. It seems pretty tight with everyone involved.

SENATOR FLAKOLL: We need to incorporate a base amount per school in with the \$250,000 cap.

SENATOR WANZEK: I intentionally proposed a base of \$50,000 because the first amount is always the hardest base and then per school over and above that of \$40,000. Two schools may add up to \$130,000.

Vote: 2 Yes 4 No 1 Absent.

Discussion followed:

SENATOR FLAKOLL: My fear is of two schools taking up the entire \$250,000.

SENATOR FREBORG : In this case with the \$250,000 with a \$50,000 base it would allow five schools to participate.

There was discussion dealing with technology and liability.

SENATOR WANZEK: The school construction loan from a coal trust fund, does that have to go to a vote of people? Are we not allowing the schools to encumber themselves by borrowing money without running it by the people?

SENATOR FREBORG: We are.

SENATOR WANZEK: We haven't established liability.

SENATOR O'CONNELL: I thought each school was liable for their portion of it.

SENATOR WANZEK: I move for a Do Not Pass.

SENATOR COOK: 2nd

SENATOR WANZEK: There are so many questions, I can't vote for it until they are answered.

Vote: 3 Yes 3 No 1 Absent and Not Voting

SENATOR O'CONNELL: I move for a Do Pass.

SENATOR REDLIN: 2nd

Vote: 2 Yes 4 N 1 Absent and Not Voting

SENATOR WANZEK: I move to send SB2068 to the floor without recommendation.

SENATOR O'CONNELL: 2nd

CARRIER: SENATOR WANZEK

February 9, 1999

SENATOR FREBORG opened discussion of SB2068.

Passed out amendments for SB2068. Discussed merits of the amendments.

SENATOR FREBORG : Say there are five districts and borrow 125,000, each district is liable for \$25,000.

SENATOR FLAKOLL : If one of the five fail to get the vote and drops out do they have to go back in and change the law.

SENATOR WANZEK : I move the amendments 980333.0101.

SENATOR COOK : 2nd

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Senate Education Committee

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2-9-99

Vote: 5 Yes 2 No

SENATOR COOK : I move a DO PASS on SB2068 as amended.

SENATOR WANZEK : 2nd

Vote: 7 Yes 0 No

CARRIER; SENATOR WANZEK

Date: 1/25/99
 Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2068

Senate EDUCATION _____ Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to change language from \$75,000 to \$250,000 in SB 20688.

Motion Made By O'Connell Seconded By Redlin

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman		✓			
Senator Cook, Vice Chairman		✓			
Senator Flakoll		✓			
Senator Wanzek		✓			
Senator Kelsh					
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 2 No 4

Absent _____

Floor Assignment _____

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

Date: 1/25/99
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2068

Senate EDUCATION Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion for a Do Not Pass

Motion Made By Wanzek Seconded By Cook

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll		✓			
Senator Wanzek	✓				
Senator Kelsh					
Senator O'Connell		✓			
Senator Redlin		✓			

Total (Yes) 3 No 3

Absent _____

Floor Assignment _____

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

Date: 1/25/99
 Roll Call Vote #: 3

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2068

Senate EDUCATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion for a Do Pass

Motion Made By O'Connell Seconded By Redlin

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman		✓			
Senator Cook, Vice Chairman		✓			
Senator Flakoll		✓			
Senator Wanzek		✓			
Senator Kelsh					
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 2 No 4

Absent _____

Floor Assignment _____

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

Date: 1/29/99
Roll Call Vote #: 4

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2068

Senate EDUCATION Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Send SB 2068 to floor without recommendation

Motion Made By Wanzek Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell		✓			
Senator Redlin	✓				

Total (Yes) 6 No 1

Absent _____

Floor Assignment Sen. Wanzek

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

REPORT OF STANDING COMMITTEE (410)
January 26, 1999 1:37 p.m.

Module No: SR-16-1224
Carrier: Wanzek
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2068: Education Committee (Sen. Freborg, Chairman) recommends BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2068 was placed on the Eleventh order on the calendar.

Date: 2/9/99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2068

Senate EDUCATION Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move to adopt amendment 90333,0101 on SB 2068

Motion Made By Wanzek Seconded By Cook

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell		✓			
Senator Redlin		✓			

Total (Yes) 5 No 2

Absent _____

Floor Assignment _____

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

Date: 2/9/99
 Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2068

Senate EDUCATION Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Do Pass on SB 2068 as amended

Motion Made By Cook Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Wanzek

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

REPORT OF STANDING COMMITTEE

SB 2068, as engrossed: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2068 was placed on the Sixth order on the calendar.

Page 1, line 15, remove "and"

Page 1, line 16, after "d." insert "The loan is approved by a majority of the eligible electors residing in each school district participating in the consortium, as evidenced by their signatures on a petition clearly stating the purpose of the loan, the amount of the loan, and its terms of repayment, and filed with the superintendent of public instruction; and

e."

Page 1, line 18, after the period insert "The superintendent of public instruction may not approve a loan under this section if the superintendent determines that the instructional technology acquisition is not compatible with the statewide information technology plan."

Renumber accordingly

1999 HOUSE EDUCATION

SB 2068

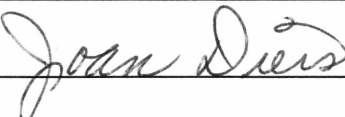
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2068

House Education Committee

Conference Committee

Hearing Date 3-8-99

Tape Number	Side A	Side B	Meter #
Tape # 1	x		0.1 to 52.4
Tape # 1	x		43.9 to end
Tape # 1		x	0.1 to 6.9
Committee Clerk Signature 			

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 open the hearing on SB 2068 and ask the clerk to read the title.

Senator Wardner: District 37. sponsor of the bill. This bill comes before you, because a consortium cannot borrow money. The federal government is allowing these consortiums to get some grant money. With this program, approximately a third of the money is grant money, one third has to borrow and the remaining third is local money. When the plan was presented, the problem was that state statute does not allow them to borrow. The Senate passed the bill and then brought it back because they wanted to amend it, because there was no vote, no input of the people. The limitation of this bill is -- the outstanding principal borrowed by the consortium

cannot exceed one hundred seventy five thousand dollars. The loan repayment must be ten years. It has to be ok'ed by DPI. Section three, section one of this bill is effective through the date on which House Bill no 1034 as approved by the fifth-sixth legislative assembly becomes effective and after that date is ineffective. If we pass 1034, then after that you wouldn't have to get a petition signed by the electorate. That needs to be investigated.

Chairman R Kelsch : Senator Wardner, HB 1034 is a rewrite of chapter 15. We just have to go back and cross reference it.

Wardner: That is the way I see it. We are going to talk to the chairman of the senate committee, we would like to see if we couldn't get it, that the number on the petitions the same as the last bond issue in the district. This would allow school districts to access federal grant monies. There is a time line on this.

Vice Chair Drovdal : When HB 1034 passes then section three would not be needed, then section two would take over. In section two there is no referral to a vote of the people. Is this covered somewhere else in 1034 that would require a vote?

Wardner: I'm not sure about that. It would seem that when 1034 takes effect, if anyone else comes after this project, they wouldn't have to do the petition. We need to look at that.

Rep Nelson : There are some schools that qualify for this project that are not in a consortium, is that true.

Wardner: You have to be in a consortium to do this.

Rep Nelson : Is there any way for a school district that are not in a consortium to access these funds?

Wardner: No, not if they are going to borrow the money.

Rep. Nowatzki : The attempt would be to borrow money to match federal dollars that are available or are the federal dollars not available without a match from the district?

Wardner: The agency at the federal level, they give you a grant and then you have to borrow the other part from them, then the consortium have to have a third of it up front.

Rep. Mueller : In part two section one, we do not find that in section two again, it has to do with the superintendent of public instruction. Would it be the intent of the authors of the bill to have that in section two also?

Wardner: That is the way we wanted it.

Rep Devil: District 24. sponsor of the bill, spoke in support of SB 2068. I wanted to make sure that all members of the consortium had to agree to the loan before the consortium could take action, to protect some of the small rural districts.

Senator Robinson: District 24 sponsor of the bill. The people involved in this consortium have worked a long time to put the bill you have in front of you. The loan requirement is becoming the rule in terms of accessing grants. There were concerns regarding the borrowing the money without a vote of the people. That is the reason for the amendments.

Rep. Nowatzki : I'm still not clear on the federal program. Walk me through this, what federal money are you talking about and what kind of a loan program, and what kind of a match.

Robinson: I will defer those questions to Mr. Renner, because of the technical aspects.

Mr. Ted Renner: Greater Barnes County/City Technical Consultant (See attached testimony) . went through his print out and explained in detail.

Rep Haas : What is the interest rate of the loan?

Renner: Approximately five per cent.

Rep Nelson : Is it logistically possible to get a petition signed.

Renner: Yes it is. If this bill passes this same requirement is not required in section two.

Rep Nelson : If there are six school districts involved and one doesn't meet the petition requirement, what happens then.

Renner: We're done.

Rep Nelson : You're done or are there provisions that can be made, that one member of the consortia is out?

Renner: We're done.

Rep. Nowatzki : In section one item 2, if this bill passes we are giving DPI the right to write the rules. I'm not so sure of that kind of rule making authority, the whole thing still seems a little cloudy.

Renner: I can't answer that.

Rep. Mueller : If this bill becomes law, in section two, the issue in regard to compatibility is not included in section two. This committee may have to take that under advisement.

Rep Nelson : Because of the e-z zone obligation that was accepted may have moved them towards a waiver, coming from from an area a champion zone, would that also be a consideration for a waiver?

Renner: I can't answer for the federal government. I think yes.

Tome Decker: Director of School Finance DPI. I worked on this bill, and we see that there needs to be some more work done. There is no provision in law now where groups of schools districts can borrow money. Individual school districts can, if they want to. Section one and section two of the bill should be parallel in every respect. A provision in section one subsection one d for the

majority of eligible electors seems to be unreasonable. Section one, the Superintendent of Schools authority to adopt rules should also be part of that parallel of both sections.

Rep Nelson : Supposing this goes to the superintendent for approval, you look at this, and if you decide that one site is not feasible, can you make them go back and review or do you deny the whole application?

Decker: What we want to see, is ownership of the equipment by the consortium. And a provision in there to dispose of it when they are done.

Rep. Mueller : In section, number two, compatibility with the state wide information technology plan, are we restrictive enough to make sure that is done, and permissive enough to give the latitude, is the wording appropriate?

Decker: I assume that would happen in the review, but we could put in the specific language.

Rep Grumbo : In the schools listed, are all of these schools, do they have on their budge, the five mill technology money.

Decker: I don't know.

Rep L Thoreson : How difficult and costly is it to have a special election?

Decker: If at all possible this should be combined with school board elections, but time restraints may have to have a special election or petitioning process, Which my actually less costly than holding a special election.

Rep L Thoreson : If one of these schools didn't pass in a special election, it would be done?

Decker: A joint powers agreement plan, can amend to a different number.

Rep Haas : District 35. sponsor of the bill. I have worked ten years with a consortium. Spoke in favor of the bill.

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House Education Committee
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Hearing Date 3-8-99

Chairman R Kelsch : We will close the hearing on SB 2068, I will appoint Rep Nelson, Rep Haas and Rep. Mueller to a subcommittee, to work together to get this bill into a proper form.

Bring your recommendations back to this committee.

FURTHER COMMITTEE

3-9-99

Rep Nelson : Madam Chair, the subcommittee on SB 2068 met this morning and what we decided was on page 1 on section D to change the language that the loan is approved by one third of the eligible electors. So on your original bill you want to change that to one third. Goes on to further explain the reason for this change. Then on page 2 line 12 remove and then on line 13 you would add that language to that line. so that section one and section two mirror each other.

Further discussion was held on the amendments.

End of tape 1 side A, begin tape 1 side B

Further discussion on SB 2068.

Chairman R Kelsch : Committee members we will recess the meeting.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2068-3-10-99

House Education Committee

Conference Committee

Hearing Date 3-10-99

Tape Number	Side A	Side B	Meter #
Tape # 1		x	17.8 to 31.0
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:

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

Chairman R Kelsch : We will call the House Education Committee back to order and take up SB 2068.

Rep Nelson : We have the bill in a form which I think you can support. Rep Mueller has an amendment.

Discussion was then held on the bill and the amendments. Part of the discussion was held on the constitutionality of the one third majority of signatures of the voters and having the option to have an election.

Rep Nelson : I would move amendments 90333.0302 prepared for Rep. Mueller .

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House Education Committee

Bill/Resolution Number SB 2068-3-10-99

Hearing Date 3-10-99

Rep Haas : seconded the motion. .

Chairman R Kelsch : Further discussion. We will have a voice vote on the amendment. Motion carries. What are the wishes of the committee?

Rep Nelson : Move a DO PASS as amended.

Rep Haas : seconded the motion.

Chairman R Kelsch : We will have the clerk call the roll on a DO PASS as amended on SB 2068.

The motion passes 13 YES 0 NO 2 Absent Floor assignment Rep. Mueller .

Date: 3-10-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB-2068

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 90333.0302 .0400

Action Taken Do Pass as amend

Motion Made By Nelson 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) 13 No 0

Absent 2

Floor Assignment Mueller

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

REPORT OF STANDING COMMITTEE

SB 2068, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2068 was placed on the Sixth order on the calendar.

Page 1, line 16, replace "approved" with ":

- (1) Approved" and replace "a majority" with "one-third"

Page 1, line 20, after the semicolon insert "or

- (2) Approved by a majority of each participating school district's electors voting on the question at a regular school district election or at a special election called by the board;"

Page 2, line 12, remove "and"

Page 2, line 13, after "d." insert "The loan is:

- (1) Approved by one-third of the eligible electors residing in each school district participating in the consortium, as evidenced by their signatures on a petition clearly stating the purpose of the loan, the amount of the loan, and its terms of repayment, and filed with the superintendent of public instruction; or
- (2) Approved by a majority of each participating school district's electors voting on the question at a regular school district election or at a special election called by the board; and

e."

Page 2, line 15, after the period insert "The superintendent of public instruction may not approve a loan under this section if the superintendent determines that the instructional technology acquisition is not compatible with the statewide information technology plan."

Renumber accordingly

1999 SENATE EDUCATION

SB 2068

CONFERENCE COMMITTEE

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2068CC

Senate Education Committee

Conference Committee

Hearing Date March 24, 1999

Tape Number	Side A	Side B	Meter #
2	x		0 - 3000
3/25/99 1	x		0-3300
3/29/99 1	x		0-2871
Committee Clerk Signature <i>Jinda Christman</i>			

Minutes: CONFERENCE COMMITTEE ON SB2068.

SENATOR FREBORG opened the conference committee on SB2068. All Senators and Representatives were present.

REPRESENTATIVE HAAS stated there was a quite a lot of discussion in our education room about the majority of eligibility elections and our rationale for taking it from a majority to 1/3 was this; very seldom do you even get 50% of the electors in a school election voting. We took several examples: Dickinson district for example has 13,500 eligible electors, if you take 1/3 of that you have about 4500 people. We looked back in that district in the last 20 years, we never had 4000 people vote in any school election whether it was a bond election or any other kind of election. So we felt that 1/3 would exceed in every school district in the state the number of people who vote in any given school election. That was the rationale for going to 1/3. We thought this a more rigorous test than if the school board held a special election for the purpose

of deciding whether or not they should be allowed to do this. If you get less than 1/3 of the people to vote it can pass with a simple majority of those who vote. That was the reason for going from "majority" to 1/3. The rationale for the second one was it was understood that a board could at any time decide to hold a special election for whatever purpose they deemed appropriate, but it didn't specifically say it in the bill and we thought it would make it a little more clear if we had it in the bill.

SENATOR FREBORG stated the impact of their share of this cost was hardly negligible compared to their total budget. How about that district that has a total budget of \$460,000. We're letting a 1/3 of the eligible electors make that determination. But they are on a 20,000, 30,000 or 40,000 million dollar budget. So their share of this 40,000, 50,000 or 70,000 dollars isn't bad. Two small districts go together and they are spending a good percentage of their budget without a majority of the electors. We are not just doing this for this situation. We are passing legislation that will set every school district in the state to take advantage of it.

REPRESENTATIVE MUELLER stated he understood what Senator Freborg was saying. I think one of the things about the consortium issue is I don't think you can be dealing with two schools. That consortium issue has to be a minimum set of numbers.

SENATOR FREBORG asked if you are saying that is in law. That in order to become a consortium it takes 5 districts.

REPRESENTATIVE MUELLER stated no, I would not say that. I think for this particular instance we are talking about those kind of numbers.

SENATOR FREBORG stated that because of a federal grant and they require five.

REPRESENTATIVE MUELLER stated he was not positive.

SENATOR FREBORG stated that two schools can become a consortium. Of course, if they don't request grant money then it can affect two schools.

SENATOR WANZEK stated the bill also, it does not necessarily specify that it is just federal grants that can be bonded. It is money that can be borrowed from any source and that other source may not require 5 schools be part of the consortium.

REPRESENTATIVE MUELLER stated that might be a point to be made here. Would it be appropriate if we made the bill speak specifically to the USDA loan grant program.

SENATOR WANZEK stated I like the idea of school being creative. They put together a plan and other moneys that would work. I want to be assured that we are putting enough safeguards in there to assure those tax payers have some say in whether the money should be borrowed or not.

SENATOR FREBORG asked what the problem was with the special election. Someone said we don't have time.

REPRESENTATIVE NELSON stated that even with the House amendments, in my opinion that would be the preferable route for a school district to take and maybe its preferable not only from a philosophical standpoint but from a practical standpoint because of the requirements of the third majority. The question came up in a school district that has a part rural and a part urban population that someone could run a petition up and down the streets in town and that petition would not ever get out of town and the thing could pass. That concerns me too, but I think we are talking about a situation with such a narrow scope. Representative Mueller's idea about tying this to a federal program that in the case of the Barnes County situation this would be an option for them to use if that time line did fall upon them. They did get an extension on their

applications. If a school district came and created a consortium that the deadline was falling upon them and they couldn't get the election process through, this would be a safeguard.

SENATOR FREBORG stated the Senate's greater concern is not this specific instance but we will be bombarded in all areas to allow 1/3 of the people to make decisions.

REPRESENTATIVE NELSON stated I intend to agree with you. This will open the door in those areas. I think that this project that we are looking at and the scope of it was important enough to the survival of some rural school districts that we need to encourage this type of activity. If we can take the safeguards out and yet let this consortium meet the time line, we are all willing to look at doing that.

SENATOR FREBORG asked how much time you have left.

REPRESENTATIVE MUELLER stated he believed the deadline is the 1st of May or the end of May. It doesn't take us through a general election.

REPRESENTATIVE HAAS stated that you made reference earlier if they had started with the election process earlier they could have had it done by now. My understanding is that was not possible because they just couldn't borrow money in this fashion even if they had an election so there had to be an authorization for them to borrow money in this fashion. There was an Attorney General's opinion on that but normally they can only borrow by selling bonds or certificates of indebtedness. So this type of borrowing did require specific legislation. I think there are two options, one is to leave the majority and the election process and let the school districts decide which way they want to go. If there is reluctance to lower the majority of the eligible electors. The other option is to make this bill so specific that it can apply only to a USDA loan. And then there is still the question, if we make it that specific, do we want to lower

the majority to 1/3 for a very specific narrow purpose so it could never be used for anything except this particular situation or a situation like it.

SENATOR FREBORG stated that my point was had you just been looking for authorization.

We could have passed it with the Emergency Clause, sent it over to the House and the Governor would have already signed it and we would have had plenty of time for a special election. But the point you make about taking petitions, I live in a fairly small school district but there are some that are a lot smaller. If I wanted this to happen I know right where to take that petition to get all the signatures and I know where not to go. That is the problem, I don't think it is urban/rural. But there are people on both sides of an issue and a small community you know every one of them and you know what side they will be on. But when we are dealing with only a 1/3 , it is not hard to find all the proponents of the issue.

REPRESENTATIVE NELSON stated that in a small district as these programs are split down, that borrowing authority is \$175,000 for the consortium and as you get down to the districts that are affected and the authority to borrow is probably less than a used school bus. They are talking about some school districts that are having to borrow \$6000 to get in this thing. In every other example, a board resolution would allow the board to do this sometimes below the bidding authority or bidding limit.

SENATOR FREBORG stated that he was concerned about their share was \$6000 - 7000, when you divide the costs proportionately to the participation from each school, we will all pay an equal share.

REPRESENTATIVE MUELLER stated that we could leave it at 50% or we make some specific references to the loaning agency.

SENATOR O'CONNELL asked if you know of any other districts.

REPRESENTATIVE HAAS stated that as far I know there is just the one district. When I think about making the bill so specific that it fits only this situation, it might be disadvantageous.

Another group of schools may come up with a different funding source and therefore maybe we should leave the two options in there. One being a petition with a majority of eligible electors and the election whichever the school prefers. Every school in the consortium would not have to use the same procedure. To specifically list USDA in there would restrict it so it would make it impossible for another funding source to be used.

SENATOR FREBORG stated that if we would get into trouble if we were being specific as to USDA.

SENATOR WANZEK stated it would take away the flexibility of it for other consortiums. We have to let the local people be creative. If its a viable and legitimate source of funding and they are able to make it work and I don't have a problem with that. I just want to make sure that gives the taxpayers an opportunity to be heard as to whether they are supportive.

SENATOR O'CONNELL stated that the federal government is allowing consortiums with grant money, 1/3 has to borrowed and 1/3 has to be local money.

REPRESENTATIVE NELSON asked if there is a comfort level in this conference committee between 33% and 50% plus one.

SENATOR WANZEK stated that I might be able to give them an either/or situation. If we stick to the majority of eligible voters or election, give them a choice.

REPRESENTATIVE NELSON asked if that would be considered as a bond election. If it would, wouldn't the 60% majority have been in place.

SENATOR FREBORG stated it wouldn't be a bond election, but we say 50% in here somewhere.

REPRESENTATIVE NELSON asked if this isn't kind of an erosion from the majority that is required now. Wouldn't it be similar to a bond election with what we are doing. Most of the school elections when you are raising money for the school districts are 50% majority.

SENATOR FREBORG stated he has never known a bond election to be so minimal an amount of money.

SENATOR O'CONNELL asked that if this could be basically a loan from a bank.

REPRESENTATIVE NELSON stated that my understanding is that they have the money. The requirement from the USDA is that they need this authority. I don't know how specific this empowerment grant was to the schools, in our area we were one of the applicants for that and my understanding of this champion zone that we have been renamed now that may qualify our area for loans such as this one. This puts the schools in a category where they may be favored if they would apply for a technology consortium.

SENATOR FREBORG asked if we should require 60%.

REPRESENTATIVE NELSON stated no.

SENATOR WANZEK stated that the engrossed bill is specific. The only way to qualify for this is if they do the petition. You added another option, I may willing to agree to allow the either/or situation.

REPRESENTATIVE HAAS stated that if you look at the first engrossment with the House amendments. It does say approved by 1/3 or approved by a majority of each participating school districts electors voting at the regular school district election.

REPRESENTATIVE HAAS stated we agree to go back to a majority here.

REPRESENTATIVE MUELLER stated that a sound solution is stretch that time line to June 30.

If that extension isn't there, we do create a problem or to make the petition issue as simple as we can. I would like us to stay at the 33% because of the particular situation.

SENATOR O'CONNELL asked that the only thing to be held for collateral is equipment.

REPRESENTATIVE NELSON stated that if I could suggest that maybe we could make a few phone calls and see what the logistics are with this particular example. I feel hesitant to agree to something if that isn't workable. One of our main charges is to make this particular consortium go through. If the majority is that a 50 plus 1 is built in stone, I guess we need to move on.

REPRESENTATIVE MUELLER stated Paige and Hope, Valley City, Apple Valley, Maple Valley and we are missing one. This is a USDA government thing and we don't want to turn down their money.

SENATOR FREBORG RECESSED the conference committee hearing on SB2068.

3/25/99

SENATOR FREBORG opened the conference committee on SB2068. Rep. Mueller you said you had some answers, I'm not sure what questions you have the answers to, but if you tell us what you found out.

REP. MUELLER: I think you and I and this committee asked that we do a little investigating on a couple of issues we were a little unclear about when we met last and this is what I intended to do. I found out some things I guess I wasn't aware of and that is that the split on the loan money of the issue having to deal with this loan money that USDA would grant the technology

consortium, it is an equal split. I don't know how germane that is to the subject here, but in fact,

Valley City, Hope and Page, they all pay the same amount of money and they are all involved equally on the loan. There are 7 school entities involved in this process on this particular project. Two of those 7 however are the Valley City Vocational Center and the Valley City State University people. The other 5 are the ones that we identified last time and thought we knew about, Valley City, Griggs County Central, Hope, Page; Hope, Page being 2 separate groups here and Maple Valley. I think I was also asked to find out some information, I think Chairman Freborg asked what the circumstances were in regard to the length of the repayment on the loan and Rep. Haas needs to be given credit here. Rep. Haas got ahold of Mr. Renner who is one of the experts in this whole thing. Mr. Renner, correct me if I am wrong here, the loan could be paid back within the month that it was taken. It is set up for 10 years and they can exercise this full 10-year time period should they choose to. The other question Chairman Freborg wanted a specific yes or no to was that the loan has to be taken from USDA. According to Mr. Renner, it does have to be taken from USDA. There is no real good way of getting around that. There was some discussion and I might have misled the committee somewhat, at least from one source that I had, that loan was listed as a 1.5% loan. That is not quite accurate. It is 5.4%. One of the comments I would have in regard to the issue we really had before us, which is the petition issue. I think, in visiting with each and every one of these school districts, and in fact with the county auditor, in one case, none of them had a good handle on the number of eligible voters in that particular school district. I suspect that is information that could be obtained, but asking Valley City how many people they have as eligible voters in their district, nobody had an idea, including the county auditor. They would have to do some homework before they were able to run out and find if it is 30%, 50% or 60%, how many numbers does that represent. Unless I missed

something, Chairman Freborg, that is what I was able to find out about what we were asking about.

SENATOR FREBORG: One other question was whether or not they had to take a loan. They have to borrow from USDA, do they have to borrow at all? I was told at one point from one of the people involved in the technology consortium that they have to borrow money. It is part of the criteria, you have to borrow money. I don't believe that. I don't understand why USDA would say you have to borrow money. Now they may require you borrow from USDA, if you do borrow money, but I don't believe that part of the criteria is that you must borrow money.

REP. HAAS: Everything that we heard from Ted Renner indicated that for this particular project, the way the funding package is, they are going to borrow \$168,605.00 exactly, in order to get the grant money. The grant money is in about the neighborhood of \$150,000.00. If this all falls into place and if they have to borrow that from USDA, it's some part of their regulations. The reason they have to borrow is because of the total cost of the project, and in order to get the \$150,000.00 grant, so the way it was explained to us, you have got local funds, loan funds, and grant funds, so as they get into the implementation of the project, they would expend the local contribution first and then the loan funds, and then the grant funds. They are in the process of asking USDA if they could tack those three resources simultaneously, and Ted Renner thought that would be a possibility.

SENATOR FREBORG: First of all, it is an even split on how much money, total dollars, but how much. How much is the total project. You said, local money, loan and grant, are each for \$168,000.00?

REP. HAAS: \$150,000.00 is the grant and it is my understanding that the local share is another \$168,000.00.

REP. MUELLER: I did get some varying numbers in that regard, they are all in the ballpark of what I had here, \$150,000.00 grant, \$168,605.00 loan, \$172,980.00 match.

SENATOR FREBORG: Where does that money come from?

REP. MUELLER: That is local effort and they are able to do some in-kind type things, and I'm not sure where this all breaks down, but it is in the area of \$143,000.00.

SENATOR FREBORG: Out of this local share of \$172,980.00, let's just call it \$172,000.00, through in kind you can furnish how much of that.

REP. MUELLER: According to Superintendent Faul, \$143,000.00.

SENATOR FREBORG: So that would really leave about \$30,000 of actual money from the local source. So you are talking about a total of \$198,000.00 through local money.

REP. MUELLER: That's right.

SENATOR FREBORG: Ok, a \$198,000.00 and you have 7 entities involved. Right? That's what you say.

REP. MUELLER: When you have 7 and divide that by 7. The balance of the match money. I think Sen. Freborg mentioned \$30,000 or something like that. There wasn't any discussion about that and I am assuming that would come from their local funds or whatever.

SENATOR FREBORG: I ask all those questions so you know what I am getting at. If you divided that \$198,000.00 by 7, you get a little over \$28,000 per entity. There isn't one of them that couldn't pay it.

REP. NELSON: That is right Senator, but the way it has been explained to us is in order to get the \$150,000.00, they have to borrow the money and then they can turn around and pay it back in 6 months, or less, if they want to. That is the USDA requirement, that is the way it was explained to us.

REP. NELSON: We asked that question directly in committee and Mr. Ted Renner said that was a requirement of the USDA. That program is that they have to borrow money for a period of up to a year.

REP. MUELLER: Renner told us yesterday they could pay it off within 6 months.

REP. NELSON: My understanding was a year, but that I'm not real clear of. Renner did say that they have to borrow the money. That is a federal requirement.

REP. MUELLER: Renner reiterated that to Rep. Nelson yesterday that there were no 2 ways about it.

SENATOR FREBORG: I don't understand that. There isn't a school near that couldn't pay \$30,000. There isn't a school here that couldn't, because I looked up to see what was in the ending balance of every school, and it is surprising that it is pretty healthy. All the way from \$260,000.00 and the smallest one to \$438,000.00 in one of the larger ones. There isn't one of them that couldn't use general fund money and pay that and here we are going through this whole mess for weeks talking about \$28,000, total money, from each of these entities. I think USDA is crazy or you are getting some misinformation. I think that what we need to do is call USDA and find out why the requirement to borrow the money, if that is the case.

SENATOR O'CONNELL: The other thing is in the minutes it says that it should be 1/3 from each one, and it doesn't come out to 1/3 here.

REP. MUELLER OR NELSON?: It isn't exactly 1/3, no, but if you take the \$150,000.00, \$172,000.00 and \$168,000.00, roughly, that is where those numbers come from.

SENATOR FREBORG: Are the federal dollars not available without a match from the district even if the federal level gives you a grant and then you have to borrow the other part from them. Then the consortium has to have 1/3 of it up front. That is all I can find on borrowing. I would assume that that information came from the gentlemen that is setting this all up. Is Ted Renner a consultant and does Renner have a private consulting firm handle nothing but applications for grants?

REP. HAAS: Renner does a lot more than that. Renner works with ITV construction all over the state, and has also worked with vocational consortiums all over the state as far as pooling resources and looking at different types of grant money, but Renner is a private individual.

SENATOR FREBORG: I can't believe that we have a 5 or 7 member vo-tech consortium and Valley City State, then we have a little tiny school out there and they are all going to pay the same.

REP. HAAS: I think that is explainable. Once this system would be up and running, then the full rate of pro-rate cost of operating the system would fall into place, but to implement the system, they are putting one classroom into each school that would be equipped to handle this. The classroom has to have a video camera, a monitor and the basic equipment that goes into each school is the same. That is the rationale for the initial cost of putting the system in to be distributed equally amongst the 7 entities. Once it is in place, let's say Valley City sells Spanish class to every school. Then those schools would pay a pro-rate share per student for that Spanish class. If another school in outlying areas, say Page, for example, had a fantastic physics teacher,

then they would sell physics classes to other entities, and the money would flow back and forth, based on a number of students who are receiving the different types of instruction. Initially, they all have to have the same set up. That is why the money is distributed equally.

SENATOR FREBORG: Valley City is really the major benefactor and I don't understand why they are setting this up and selling their services.

REP. HAAS: They will be selling services.

SENATOR FREBORG: I know that and that is their interest in the whole thing.

REP. HAAS: From the smaller school standpoint, it is very advantageous because if Page and Hope, for example, don't offer Spanish and can't afford to have a Spanish teacher, they can have 6 kids or 2 kids taking Spanish and simply paying a proportionate share for that class. It extends and expands the curriculum, particularly in a small school which is good for kids.

SENATOR FREBORG: I'm not sure we are going to come to a decision today. I need to find out myself why the requirement to borrow money from USDA. That really sounds out of place. It's a federal government entity and I don't think it would surprise me.

REP. NELSON: We are working on the premise that that requirement is the hurdle that we have to get over and that is why we are looking for an avenue like the third majority petition signed thing, and if it wouldn't have been for that, I think we are all in agreement that we don't want to create a monster or something that can be used for other reasons. We are trying to get through this process so this particular consortium can move forward. It is a good program, it is good for Valley City, it is going to be good for the receiving schools because the availability of programs is becoming more and more acute. The problem is becoming more acute and it is going to

continue. This is one way that some of the schools can enhance their class offerings and that is a goal that is worthy of working towards.

REP. HAAS: I don't think it will be difficult to find the answer to your question because I believe that the schools that are involved and their consultants would have that at their fingertips. I talked to Mr. Renner this morning about another matter, but I can call him this weekend.

Renner lives in Dickinson and I might be able to get that information by Monday, the exact portion of the USDA regulations that we are dealing with here.

SENATOR FREBORG: I can't believe it is an Act of Congress. I don't understand the rule. Here we have 7 entities that can more than pay \$28,000 and get this thing going tomorrow.

REP. HAAS: We wouldn't be here asking for this legislation if it were possible to get that grant money without the loan. They have the resources to do it. If they didn't, they could issue the certificate of indebtedness and get the money for a short period of time.

REP. MUELLER: It would indicate to me also, and I suspect we can get an absolute definitive on this thing. I agree with Rep. Haas that we wouldn't be doing this if they could do what they would want to do back there, probably pull \$28,000 out of the income fund and it is a done deal. I am guessing that is not the case, but it is a guess.

SENATOR FREBORG: Maybe they could issue a certificate and borrow the money and when the certificate is due to be paid off, then they do that. That is borrowing the money. If you have to borrow from USDA, which I don't understand, you are really up against the wall. You could have 1 million dollars, you could have \$750,000, plus \$20,000 because that is what they allow. You would have \$770,000 in your ending balance and you have to borrow money.

REP. HAAS: I was in education for 32 years and I worked with hundreds of different types of grant programs and you never know what the rules are for getting grant money until you get into it. They make you jump through hoops that are unreasonable, but if you want the money you are going to jump through the hoops.

SENATOR FREBORG: I would imagine it takes additional employees to administer the loan program and that's the whole thrust of it. It gives us more to do and more people to pay.

SENATOR WANZEK: We are going to get some information. It seems we are trying to work something out to fit one situation and I'm trying to understand how does that deal with the issue.

SENATOR FREBORG: I am trying to find a way around a need for the bill. If they don't have to borrow the money, they don't need the bill. We should be talking about the amendments.

SENATOR WANZEK: I have no life experience in dealing with grants and education, but I do have experience with dealing with farm programs and you could just about believe anything to be possible.

SEN. O'CONNELL: The ones I work with the federal government, you take your local money down first and then you take the balance of your loan money and then you come into the federal government and work with 3 different programs. We borrow from the Bank of Coops.

SENATOR FREBORG: Perhaps getting back to the amendment, I have one question. You want to borrow 1/3, you can't determine how many patrons you have in a district, eligible electors.

You can't do it for 1/2, how can you do it for 1/3?

REP. MUELLER: I think that was a point I attempted to make early on. Again, as you suggested, those numbers probably can be obtained. It seems to me we are kind of beating a

dead horse here in a way. Going back to some earlier arguments and taking 200% and 300%

numbers of the last election and tie that into the petition, it doesn't speak to being 51%. If we are talking 200% to 300% of the last people to vote in an election, bond issue, or whatever it might have been, I wonder if that would not be at least a thought to consider in resolving our issues here.

SENATOR O'CONNELL: Probably 60% of the voting population.

SENATOR WANZEK: I think where you are going is something along the lines of 60% of the voters in the last election which would kind of fall in line, and I thought will maybe carry through to 60% of the voters in the last 3 elections. Maybe there are some elections that have a lower or higher turnout if you take 3 and average it and require a 60%.

SENATOR NELSON: I think what we are talking about here is an attempt to get away from the petition of the eligible voters, because as we look into that more, it is hard to get a fast number and a real number on what that is. The nice thing about using voters that voted in the last election is that every school has that documented in their poll books as to who voted and how many voted, and just trying to arrive at a number that's reasonable from the standpoint of this committee, and from the entire body, might be a better way because then we are certainly going to be over the majority threshold. Rep. Mueller said we are willing to go to 200% to 300% of that number to try to get a mix of the citizens that reside in the school district. It sends a more positive signal to the communities that this is a super majority that is required in a situation like this and not a minority of electors. That is the attempt that is being made to satisfy those concerns.

SENATOR FREBORG: What if you needed 100% of all of the electors average of the last several elections that voted in favor. You would go 200% or 300% on that?

REP. MUELLER: I don't know if that was the intention, I was thinking the 200% or 300% of an election be it the last one, or maybe 100% of the last 3 or something like that, or an average of the last 3.

SENATOR FREBORG: What were you willing to go 200% or 300% of?

REP. MUELLER: The last election by that school board election, 200% of that. The total number of people that voted.

SENATOR FREBORG: If one of these districts had an uncontested race for the school board, you are lucky to get 15 people voting.

REP. NELSON: That is the dilemma here. If we raise the bar too high on that, and if the last election has a ballot measure that is included that would have a bond issue or something, 300% threshold may be more than the eligible voters, too. This does remove some of the concerns about a minority controlling. We are just trying to find a mix so that we are not having people that can go up and down the streets of the city and not get out in the rural area so there is broad base support. Finding that balance is the key in any of these arguments and it certainly would be the same in this one. In that range of 100% to 300%, I think there is room there.

SEN. O'CONNELL: You could figure if you took 200% of a student base in that school. Then you could figure out the standard for everybody.

SENATOR FREBORG: Let's all think about this and we are going to have to settle this Monday or it is going to get too late for them to do anything. We need to come to some agreement.

Either we do nothing or change it. I think if this were up to us we would all say, let them go.

We are dealing with something that could be in here for 50 years, and not use it for all kinds of

situations, not only that, but the pressure will be on from the first day this passes and is signed, to be able to do that in all kinds of other situations instead of the people voting.

REP. HAAS: If it comes down to the decision of either permitting them to do it in one way and still be concerned about the future, I would rather totally eliminate the section on the petition and leave it strictly up to an election, a majority of those people voting either at a special election or school board election in order to facilitate this group getting this done. If we can come to some agreement on petition for an election, I would prefer that but if we can't, then I say we should consider eliminating the petition process and leaving it up to an election.

SENATOR FREBORG: I think we could all go for 50% of electoral votes participating in the election, the majority.

SENATOR FREBORG: Shall we kick it around on Monday at 10:30? Perhaps we can just leave it open and get together again like we did today and notify the clerk ahead of time.

SENATOR FREBORG adjourned the conference committee.

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SENATOR FREBORG reconvened the conference committee on SB2068. All members present.

REP. HAAS: One of the things that the committee asked about last week was the provisions tying the grant to the loan and the information that I have that I got from Mr. Renner are copies of the loan and grant agreement that USDA has already signed off on with the consortium. It is approved. It simply says in here that RUS (rural utilities) service is willing to extend financial assistance in the form of a loan and grant combination to the borrower pursuant to title 7 section 704 of the ag reform act in 1996. Called Dale who works with rural development and ask him, he called back with a message and I ask him if this was an absolute requirement that the two are

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tied together, his note says the Barnes County Consortium group must accept the loan in order to get the grant. USDA regulation with the Tele-Medicine Distance Learning Grant there is that requirement but it still is such a situation that they can pay it off, they don't have to do the ten years and there is no penalty for paying it off early. My conversations with Renner, I think most schools intend to pay it off probably within one or 2 years and maybe even by the time the project is complete.

SENATOR FREBORG : Run us by the rules/laws governing certificates of indebtedness.

REP. HAAS: Talked to State Auditors Dept. last week and a school district if they have a shortage of funds, if it is a legitimate general fund expenditure then they can issue a certificate of indebtedness or for that expenditure. The loan then is paid back with either tax revenues or could be paid back with foundation aid or whatever type of revenue is coming into the district. I didn't get information from him on specific time line which it has to be paid back. Very very short terms.

SENATOR FREBORG : There was nothing said about them being automatically paid back.

Repaying the loan out of foundation aid when the next payment comes.

REP. HAAS: No, it has to be paid out of some revenue source, very short term.

SENATOR FREBORG : What is the length of term.

REP. HAAS: I don't know the length of term. I was never in a school district that had to do that because we always had enough interim funds to help cash flow. Usually a school district would only issue it a certificate of indebtedness if they had problem with cash flow.

SENATOR WANZEK : Certificate of indebtedness can be issued by the school board, with the

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school board authority, these are just temporary to bridge the gap between the time the moneys needed and the time the foundation aid payments are coming in.

REP. HAAS: Exactly.

SENATOR WANZEK : As for long term debt the board doesn't have authority to issue certificate of debt for long term type projects or building without the vote of the people.

SENATOR FREBORG : Believe the certificate of indebtedness is strictly for cash flow problems. Extremely short term.

REP. HAAS: The point of this is simply because of USDA rate. They can't get the \$145,000 grant money without going through this procedure.

SENATOR WANZEK : In other words they have to borrow this money before they can see the grant money.

SENATOR FREBORG : From USDA at 5.4% interest.

REP. HAAS: USDA was particularly supportive of this grant because maybe one of the very first in the nation that had to do with distance learning. Most of the grants they have provided to rural communities have been for tele-medicine and they are almost using this as a demonstration to show that distance learning project is effective and can be done in less populated rural areas.

SENATOR FREBORG : Even if the people vote to borrow the money is there language in the law that allows a school to just borrow money. Now when we think of an election we're thinking of bond issues something of that nature. Certificate of indebtedness are in the law. What does the law say about borrowing money.

REP. HAAS: Generally school districts borrow money by doing a bond issue.

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SENATOR FREBORG : I understand that but you're not doing a bond issue, you are just borrowing money, does the law speak to that.

REP. HAAS: No, that is why this bill is here.

SENATOR FREBORG : Just to give you the authority even if you went to the people. To give you authority to go to the people to borrow the money.

REP. HAAS: That is right. We have a dead project if we kill the bill.

REP. NELSON: If we go for the premise that this requirement is in place, we have to come up with some piece of legislation. The biggest stumbling block was the petition language. From the Senate side was there any movement or sense of going to a super majority of the last election. Was that idea thrown around or is there any acceptance from the Senate for that concept.

SENATOR FREBORG : There is no support for the bill. It isn't a majority of the Senate's position but there is no support. When you talk about a super majority that would probably be about 30% of the eligible electors on an average. A majority of those people would be 15% plus one which doesn't amount to much.

REP. NELSON: Real danger is, obviously we have to have the majority of both houses because it's an emergency clause. To get to resolution on this matter if the 51% is where the Senate has to be or they won't look at a different form of a super majority I think we'd be doing the best service to the consortium to get it handled and through so if they have to go through an election process they can. Time line is bigger than anything.

REP. MUELLER: We need to get this thing cleaned up and out of here so they can do what they have to do.

SENATOR WANZEK : Bill came out of committee without a recommendation and it was mainly the concern of granting authority to the school board to borrow money. Bill failed originally and then we reconsidered it. Then we came up with the language that we do have now, 50% of the qualified electors. It was an effort to try and assure that in any instance where money is going to be borrowed that the electors have some control over that. I would possibly be open to the idea of adding an option of an election. Maybe that would still afford us the opportunity to get it through. We would go with the 50% plus one type of thing. At least we're affording them the opportunity if they feel strongly about this they will show up for the election. But at least they were given an opportunity.

SENATOR FREBORG : Is there language in the law that allows a Board to borrow money. Secondly we would need to retain the portion of the amendment that says that you can do that with a majority of the electoral vote.

REP. MUELLER: I realize that we're working with a bill that's kind of one onto itself. We would concede that we could do an election of the electorate in regard to this issue. Is that all always a part of the program. Couldn't they do that anyway.

SENATOR WANZEK : My understanding, no they cannot borrow.

REP. MUELLER: You're conceding an election to allow them to do this. I don't know that you're conceding a lot when you're doing that.

SENATOR WANZEK: It's my understanding, you're saying through an election they can bond and approve of a some type of building, etc. but they had no authority now to loan or borrow money. We would be giving them that as an additional authority. Option to fund this type of venture.

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SENATOR FREBORG : I'm not so sure there isn't authority to borrow money. We borrow money from the Coal Trust Fund.

REP. HAAS: They can also borrow from the School Construction Fund.

SENATOR FREBORG : The old school construction fund, now it's from the trust fund. You can borrow money.

REP. HAAS: But they couldn't for this purpose from the school construction fund.

SENATOR FREBORG : No, but what I'm saying is I believe the law allows a school district to borrow money for reasons other than a bond issue.

SENATOR WANZEK : In those cases, isn't it specific to where they can borrow as well. Can any school district right now say if they decided to add on a small addition they can't go to a bank and borrow. Specific as to how it can be spent but specific to where it can be borrowed from. If they are going to borrow from the school trust fund do the electors have to vote on it.

SENATOR FREBORG : Yes, they are usually voting on a bond issue and an apportionment for construction is from the school construction fund.

SENATOR O'CONNELL : We could limit it only to matching grants or federal money.

REP. MUELLER: We threw out some numbers having to do with the last number of people who voted in the school board election. Is there any support here to work with something like that and put in to this particular bill.

SENATOR WANZEK : I hear you saying we should be specific as to what purpose. I really don't know that I'd want to limit them to that extent as long as the electors have some kind of voice here. I feel that if we give them the authority to borrow that could be from other sources. I

don't know if that's all that bad if we let them do that as long as the electors are brought into that loop.

REP. HAAS: I move that we recede amendment in parenthesis no 1 but that doesn't remove all of line 17 through 21. If we recede from that amendment it puts it back to a majority on the petition. Recede from that amendment and eliminate line 17-21 of the original bill.

SENATOR O'CONNELL : I don't believe you can recede from one amendment. You have to recede from all amendments and further amend.

REP. HAAS: I move the House recedes from their amendments and the conference committee further amends.

SENATOR WANZEK : 2nd

SENATOR FREBORG : The motion is that the conference committee recedes from the House amendments and further amends.

Vote: 6 Yes 0 No

REP. HAAS: Is there any receptiveness on the part of you SENATORS to leave the petition process in this bill.

SENATOR FREBORG : What does the petition process call for the majority of the eligible electors. Don't know that I'd have a problem with that because there you really have a majority of all the people eligible to vote in that school district. That would probably have to be more positive signatures on that petition than if you held an election. I could support that.

SENATOR WANZEK : I would be supportive of leaving those two choices.

REP. HAAS: I would like to move we further amend by adding "or" line 20 after the semicolon (remove and).

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SENATOR FREBORG : simply want to adopt all the language below number 1. We understand and add also on the other page. We need the language to allow us to do what it says in number 2. You want to adopt that portion of the House amendment that allows you to hold an election and a majority of those voting can approve.

REP. HAAS: Correct

SENATOR WANZEK : 2nd

Vote: 6 Yes 0 No

SENATOR WANZEK : We would be including that additional language about superintendent of public instruction may not approve a loan under this section, etc.

REP. HAAS: Thought we had it on there.

SENATOR WANZEK : Had it in the first one but not the second.

SENATOR FREBORG : We've really opened this up. Do we want to cap the amount of dollars. We're going to a majority of the people.

REP. HAAS: It is capped at \$175,000.

SENATOR FREBORG : Now is this amendment strictly for this specific situation.

REP. HAAS: It has to be a technology consortium, can't be used for anything other than instructional technology with maximum for the consortium of \$175,000.

SENATOR FREBORG : I want to make sure we haven't adopted language that allows a school district to borrow any amount of money by a majority of the electors in a school district for any other purpose.

REP. HAAS: I don't see how it could be construed any other way.

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Senate Education Committee

Bill/Resolution Number SB2068

Hearing Date ~~March 24, 1999~~

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SENATOR WANZEK : We are referring to a specific section in the code, and that section is talking about school board technology consortiums. Amendments we've adopted work with the code. Only borrow in this specific instance.

SENATOR FREBORG adjourned the conference committee.

=====
REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE) - 420
=====

07398

(Bill Number) SB 2068 (, as (re)engrossed):

Your Conference Committee

For the Senate:

For the House:

Sen. Sheberg ✓
Sen. Wanzel ✓
Sen. O'Connell ✓

Rep. Haas ✓
Rep. Nelson ✓
Rep. Mueller ✓

[X] recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
the (Senate/House) amendments on (SJ/HJ) page(s) 728 - 729

[] and place _____ on the Seventh order.

[X] , adopt (further) amendments as follows, and place
SB 2068 on the Seventh order:

[] having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the
calendar.

DATE: 3/29/99
CARRIER: Wanzel
LC NO. 90 333 . 0304 of amendment
LC NO. _____ . _____ of engrossment
Emergency clause added or deleted _____
Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

SB 2068, as engrossed: Your conference committee (Sens. Freborg, Wanzek, O'Connell and Reps. Haas, Nelson, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 728-729, adopt amendments as follows, and place SB 2068 on the Seventh order:

That the House recede from its amendments as printed on pages 728 and 729 of the Senate Journal and page 805 of the House Journal and that Engrossed Senate Bill No. 2068 be amended as follows:

Page 1, line 16, replace "approved" with ":

- (1) Approved"

Page 1, line 20, after the semicolon insert "or

- (2) Approved by a majority of each participating school district's electors voting on the question at a regular school district election or at a special election called by the board;"

Page 2, line 12, remove "and"

Page 2, line 13, after the first period insert "The loan is:

- (1) Approved by a majority of the eligible electors residing in each school district participating in the consortium, as evidenced by their signatures on a petition clearly stating the purpose of the loan, the amount of the loan, and its terms of repayment, and filed with the superintendent of public instruction; or
- (2) Approved by a majority of each participating school district's electors voting on the question at a regular school district election or at a special election called by the board; and

e."

Page 2, line 15, after the period insert "The superintendent of public instruction may not approve a loan under this section if the superintendent determines that the instructional technology acquisition is not compatible with the statewide information technology plan."

Renumber accordingly

Engrossed SB 2068 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

SB 2068

reported as missing, the division of vital records shall:

- a. Flag the records of the individual; and
 - b. Notify the missing person information program provided in section 54-23.2-04.1 and a local law enforcement authority if a request for records is received from any source.
6. If it is necessary for law enforcement authorities to conduct an investigation on a missing child, school or day care personnel may not inform the person claiming custody of the child of the investigation while it is being conducted.
 7. For purposes of this section:
 - a. "Flag the records" means marking the division of vital records, school, day care, or home-based instruction records in such a manner that any personnel viewing that record will be automatically alerted that the child or individual has been reported as missing.
 - b. "Home-based instruction" means as applied in chapter 15-34.1.
 - c. "Proof of identity" means a certified copy of a birth certificate, a certified transcript, or similar student records from the previous school, or any other documentary evidence the school, licensed day care facility, or school superintendent considers appropriate proof of identity.
 - d. "School" or "licensed day care facility" means all elementary and secondary schools, licensed day care centers, licensed child care facilities, headstart programs, and nursery schools whether public or nonpublic.

Source: S.L. 1991, ch. 594, § 1; 1993, ch. 518, § 1; 1995, ch. 243, § 2.

FISCAL ADMINISTRATION

54-27-21. Fixed asset minimum reporting value. All state departments, agencies, and institutions shall include all fixed assets under their control in their financial statements, except those having a value of seven hundred and fifty dollars or less. The state auditor is authorized to provide for the written exemption of specific fixed assets having a value of more than seven hundred and fifty dollars when such exemption is justified upon generally accepted accounting principles.

Source: S.L. 1975, ch. 478, § 1; 1977, ch. 493, § 1; 1985, ch. 574, § 1; 1993, ch. 522, § 1.

JOINT EXERCISE OF GOVERNMENTAL POWERS

54-40-01. Agreement — Exercise of joint powers — Bonds.

1. Two or more governmental units or municipal corporations having in common any portion of their territory or boundary, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise their respective separate powers, or any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised for the purpose of acquiring, constructing, and maintaining any building for their joint use. The term "governmental unit" as used in this section includes and means every city, county, town, park district, school district, states and United States governments and departments of each thereof, and all other political subdivisions even though not specifically named or referred to herein.
2. Two or more counties or cities, or any combination of counties or cities, whether or not they have in common any portion of their territory or boundary, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise their respective separate powers, or any power common to the contracting parties or any similar powers, for the purpose of acquiring equipment or constructing roads, bridges, and road and bridge improvements.
3. An agency, department, or institution of this state may enter an agreement with the state of South Dakota to form a bistate authority to jointly exercise any function that the entity is authorized by law to perform. Any agreement entered under this subsection must be submitted to the legislative assembly or, if the legislative assembly is not in session, to the legislative council or a committee designated by the legislative council for approval or rejection and may not become effective until approved by the legisla-

tive assembly or the legislative council.

4. Counties or cities, or any combination of counties or cities, may jointly issue bonds in the same manner and for the purposes provided for in chapter 21-03.

Source: S.L. 1955, ch. 309, § 1; 1957, ch. 331, § 1; R.C. 1943, 1957 Supp., § 54-4001; S.L. 1987, ch. 73, § 33; 1989, ch. 656, § 1; 1997, ch. 15, § 33.

54-40-07. Clarification of constitutional authority and effect of other statutes. Repealed by S.L. 1993, ch. 401, § 53.

54-40-08. Agreements for the use by political subdivisions of buildings and facilities of the state.

1. Any county, city, township, city park district, school district, or other political subdivision of this state may enter into an agreement with any agency, board, or institution of the state for the use of buildings and facilities under the control of that state agency, board, or institution for a period of time as the parties may determine to be necessary. Before an agreement pursuant to this section is effective, the respective governing body or officer of the state agency, board, or institution must approve the agreement and the attorney general must determine that the agreement is legally sufficient.
2. The political subdivision, pursuant to an agreement for the use of buildings and facilities, may make improvements to the buildings or facilities instead of any rental or other payments, but all improvements must first be approved by the governing body or officer of the state agency, board, or institution. The buildings and facilities may be moved or replaced at any time during the term of an agreement, and the political subdivision may use the buildings and facilities constructed in place of the original buildings and facilities for the remainder of the term of the agreement.

Source: S.L. 1963, ch. 353, § 1; 1969, ch. 451, § 1; 1971, ch. 509, § 1; 1975, ch. 484, § 1; 1993, ch. 401, § 50.

JOINT POWERS AGREEMENT

54-40.3-01. Joint powers agreements — General authority.

1. Any county, city, township, city park district, school district, or other political subdivision of this state, upon approval of its respective governing body, may enter into an agreement with any other political subdivision of this state for the cooperative or joint administration of any power or function that is authorized by law or assigned to one or more of them. Any political subdivision of this state may enter into a joint powers agreement with a political subdivision of another state or political subdivision of a Canadian province if the power or function to be jointly administered is a power or function authorized by the laws of this state and is authorized by the laws of the other state or province. A joint powers agreement may provide for:
 - a. The purpose of the agreement or the power or function to be exercised or carried out.
 - b. The duration of the agreement and the permissible method to be employed in accomplishing the partial or complete termination of the agreement and for disposing of any property upon the partial or complete termination.
 - c. The precise organization, composition, and nature of any separate administrative or legal entity, including an administrator or a joint board, committee, or joint service council or network, responsible for administering the cooperative or joint undertaking. Two or more political subdivisions which enter into a number of joint powers agreements may provide a master administrative structure for the joint administration of any number of those agreements, rather than creating separate administrative structures for each agreement. However, no essential legislative powers, taxing authority, or eminent domain power may be delegated by an agreement to a separate administrative or legal entity.

- d. The manner in which the parties to the agreement will finance the cooperative or joint undertaking and establish and maintain a budget for that undertaking. The parties to the agreement may expend funds pursuant to the agreement, use unexpended balances of their respective current funds, enter into a lease-option to buy and contract for deed agreements between themselves and with private parties, accumulate funds from year to year for the provision of services and facilities, and otherwise share or contribute property in accordance with the agreement in cooperatively or jointly exercising or carrying out the power or function. The agreement may include the provision of personnel, equipment, or property of one or more of the parties to the agreement that may be used instead of other financial support.
- e. The manner of acquiring, holding, or disposing of real and personal property used in the cooperative or joint undertaking.
- f. The acceptance of gifts, grants, or other assistance and the manner in which those gifts, grants, or assistance may be used for the purposes set forth in the agreement.
- g. The process to apply for federal or state aid, or funds from other public and private sources, to the parties for furthering the purposes of the agreement.
- h. The manner of responding for any liability that might be incurred through performance of the agreement and insuring against that liability.
- i. Any other necessary and proper matters agreed upon by the parties to the agreement.
2. Any county, city, township, city park district, school district, or other political subdivision of this state may enter into an agreement in the manner provided in subsection 1 with any agency, board, or institution of the state for the undertaking of any power or function which any of the parties is permitted by law to undertake. Before an agreement entered into pursuant to this subsection is effective, the respective governing body or officer of

the state agency, board, or institution must approve the agreement and the attorney general must determine that the agreement is legally sufficient.

3. An agreement made pursuant to this chapter does not relieve any political subdivision or the state of any obligation or responsibility imposed by law except to the extent of actual and timely performance by a separate administrative or legal entity created by the agreement. This actual and timely performance satisfies the obligation or responsibility of the political subdivision.

Source: S.L. 1993, ch. 401, § 49.

54-40.3-02. Clarification of constitutional authority and effect of other statutes — Construction.

1. The specificity of this chapter, chapter 54-40, or any other law may not be construed to limit the general authority of a political subdivision to enter into agreements pursuant to section 10 of article VII of the Constitution of North Dakota, except for specific limitations on that authority, and subject to specific procedural requirements, imposed by this chapter, any other law, or a home rule charter.
2. This chapter does not dispense with the procedural requirements of any other statute providing for the joint or cooperative exercise of any governmental power.

Source: S.L. 1993, ch. 401, § 49.

54-40.3-03. Political subdivisions encouraged to file agreements with advisory commission on intergovernmental relations. A political subdivision entering into a joint powers agreement pursuant to this chapter or any other law is encouraged to file one copy of the agreement and explanatory material with the advisory commission on intergovernmental relations, to assist the commission in providing information for other political subdivisions exploring cooperative arrangements.

Source: S.L. 1993, ch. 401, § 49.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

54-52-01. Definition of terms. As used in this chapter, unless the context otherwise requires:

1. "Account balance" means the total contributions made by the employee, the vested portion of the vesting fund as of June 30, 1977, and interest credited thereon at the rate established by the board.
2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.
3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials at their sole election; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 and appointed officials eligible under section 54-52-02.5 are eligible employees and shall participate in the public employees retirement system.
4. "Employee" means any person employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; certified employees of a school district means those employees eligible to participate in the teachers' fund for retirement who, except under subsection 2 of section 54-52-17.2, are not eligible employees under this chapter.
5. "Employer" means a governmental unit.
6. "Funding agent" or "agents" means an investment firm, trust bank, or other financial institution which the retirement board may select to hold and invest the employers' and members' contributions.
7. "Governmental unit" means the state of North Dakota or a political subdivision thereof.
8. "National guard security officer or firefighter" means a participating member who is:
 - a. A security police employee of the North Dakota national guard; or
 - b. A firefighter employee of the North Dakota national guard.
9. "Participating member" means all eligible employees who through payment into the plan have established a claim against the plan.
10. "Permanent employee" means a governmental unit employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is employed twenty hours or more per week and at least five months each year.
11. "Prior service" means service or employment prior to July 1, 1966.
12. "Prior service credit" means such credit toward a retirement benefit as the retirement board may determine under the provisions of this chapter.
13. "Public employees retirement system" means the retirement plan and program established by this chapter.
14. "Retirement" means the acceptance of a retirement allowance under this chapter upon termination of employment.
15. "Retirement board" or "board" means the seven persons designated by this chapter as the governing authority for the retirement system created.
16. "Seasonal employee" means a participating member who does not work twelve months a year.
17. "Service" means employment on or after July 1, 1966.
18. "Service benefit" means the credit toward retirement benefits as determined by the retirement board under the provisions of this chapter.
19. "Temporary employee" means a governmental unit employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored pension fund, and, if employed by a school district, occupies a noncertified teacher's position.
20. "Wages" and "salaries" means the member's earnings in eligible employment under this chapter reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement incentive pay, sev-

Tom
2068

Consortium Name
Cooperative School Improvement
Joint Powers Agreement

1. The school districts of _____

(hereafter, Member Districts), making up the _____
Consortium, enter into this Joint Powers Agreement (hereafter,
Agreement) under N.D.C.C. Ch.54-40.3 for the purpose of continuing
the comprehensive school improvement process currently in operation
in the member districts.

2. This Agreement shall be effective from the date of approval by
all Member Districts. A Member District may withdraw from the
Agreement upon a written notice of intention to do so to all other
Member Districts at least 3 months in advance of the withdrawal
date. This Agreement may be terminated by mutual agreement of all
Member Districts. Proposed amendments to the Agreement may be
initiated by any of the Member Districts. The proposed amendments
must be submitted to all Member Districts, in writing, at least 2
months before they are voted on by the Joint Board as defined in
paragraph 3. The Agreement may be amended by adoption of a
proposed amendment by a 2/3 vote of the Joint Board.

3. The governing body of the _____ Consortium,

for purposes of this agreement, shall be a Joint Board consisting of at least one school board member appointed by the school board of each Member District. The Joint Board shall identify a person to serve as the Curriculum Coordinator for the consortium. The Curriculum Coordinator shall chair a Curriculum Coordinating Council made up of membership from each Member District as prescribed by the Joint Board. The Joint Board shall ensure that the Curriculum Coordinating Council can meet at least monthly during the school year for the purposes of implementing the Comprehensive School Improvement work of the consortium and professional development as it relates to school improvement. The Joint Board may, with approval from Member Districts, include related activities in its joint operations.

4. The Joint Board will develop an annual operating budget from monies received through State Funding for Comprehensive School Improvement, monies of Member Districts, and any other monies received by the Joint Board. The Joint Board may receive and expend funds from any source for the purpose of implementing Comprehensive School Improvement, professional development, or related activities approved by the Joint Board.

5. Any equipment purchased or carry-over funds remaining shall be the property of the Consortium. The Joint Board may acquire, hold, or dispose of real and personal property used in pursuit of its joint activities.

6. The Joint Board may accept gifts, grants, and other assistance for purposes of carrying out activities set forth in this Agreement.

7. The Joint Board may apply for Federal or State or other public or private funds for the purpose of furthering the purposes of the Agreement.

8. The Joint Board shall carry appropriate liability coverage for personnel and programs operated as part of the Agreement.

9. The Joint Board may undertake other activities necessarily related to carrying out the Comprehensive School Improvement Process.

10. The effective date of this agreement is _____ and shall remain in effect until _____.

This Agreement has been approved and adopted by the following school districts.

School District:

School District Board
President:

Greater Barnes County (ITV) Consortium

**Distance Learning
And
Telecommunications System**

Project

*Graphic
Design Layout*

Summary

UNIVERSAL ACCESS

Universal and Worldwide Access
to Sources of
Information-Communication-Production
Product Development and Marketing
Financial and Manpower Resources
"Economic Development Opportunities"
on a Competitive Basis

School/Community Benefits:

- Expanded curriculum in the areas of:
Upper level science, math and technology; foreign languages; dual credit college offerings
- Worldwide reference resource
- Access to professional improvement and adult education training resources
- Local government connection to state and national government
- A reference source and informational platform for services and program support

Business - Industry Benefits:

- A solid employee productivity training and retraining resource
- A universal marketing platform
- An access for local economic development groups to state and national economic development groups charged with the promotion and technical assistance needed for successful isolated rural economic development

Expanded access:

- Expand school curriculum
- Enhance adult education
- Access to worldwide resources
- Connect to state and national government
- Expand marketing and financing platform
- Reduce rural isolation factors

Present access:

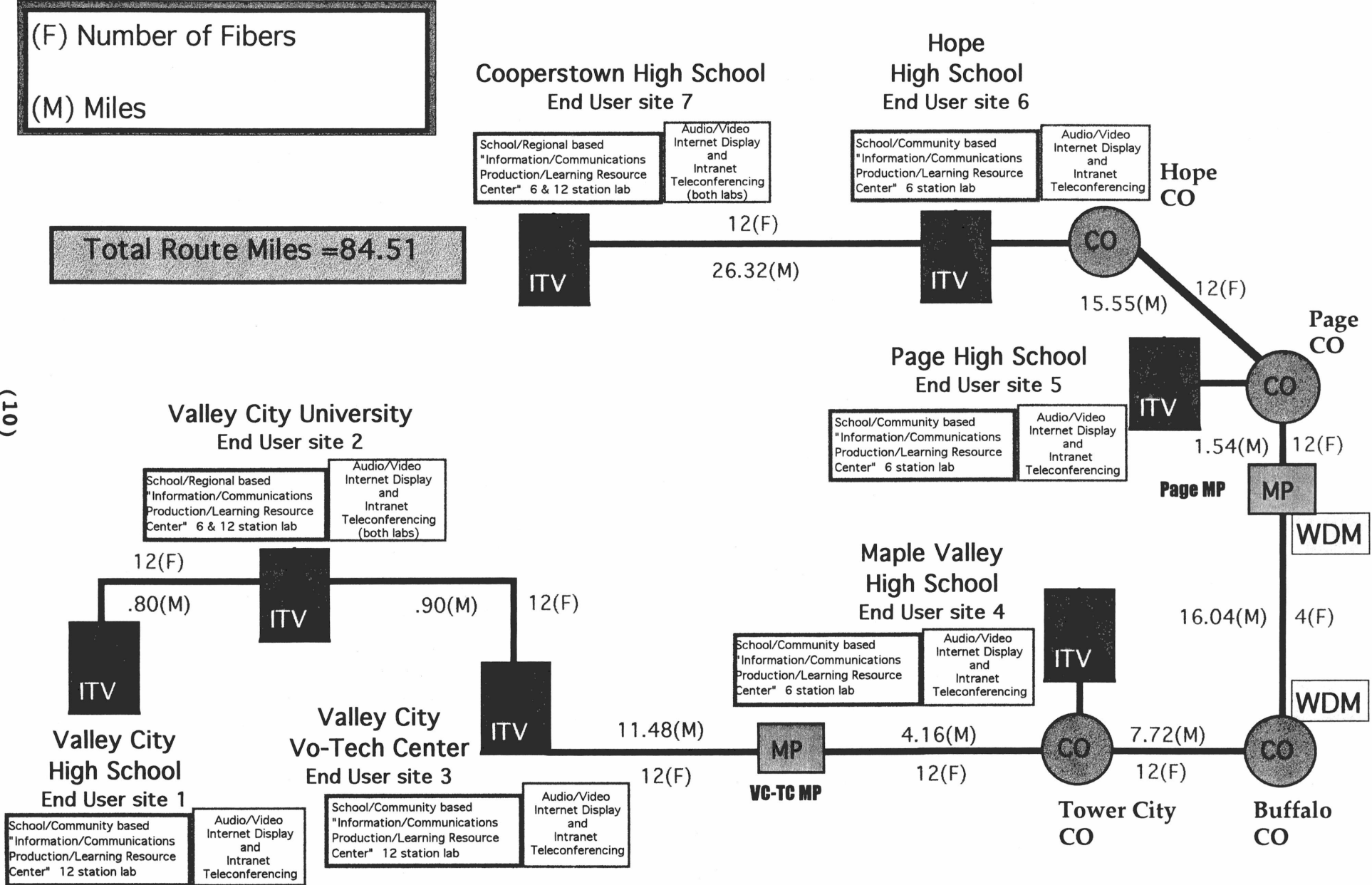
- slow access
- limited hours
- limited video or real-time access

Greater Barnes County ITV Consortium Proposed Fiber Route Layout

(F) Number of Fibers
(M) Miles

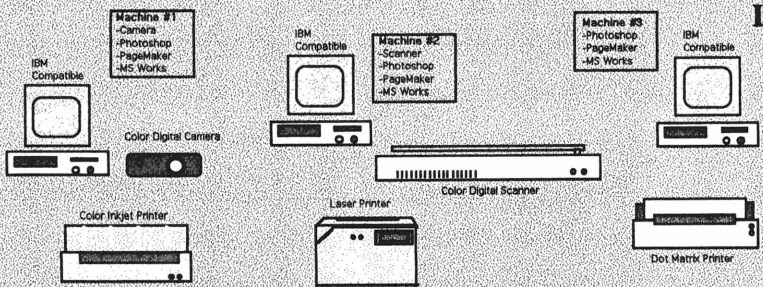
Total Route Miles = 84.51

(10)

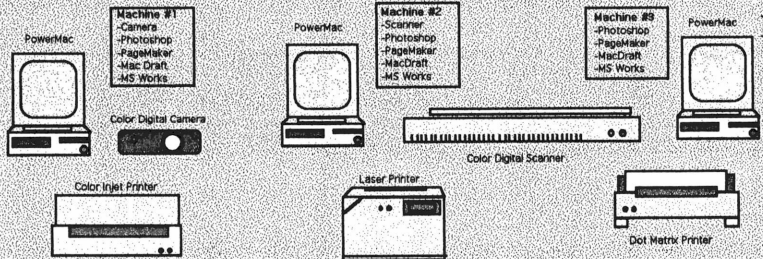


Data Production/Learning Facility

Windows Leg



Macintosh Leg



Internet/Display Teleconferencing



Ethernet Hub

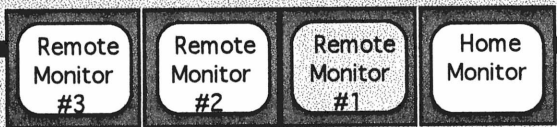
LAN Server

Equipment Room

Router

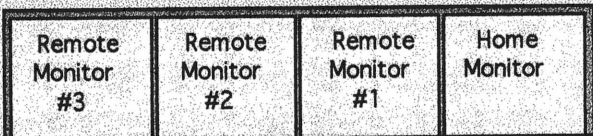
Equip. Rack

Audio/Video Production Facility



Instructor Monitors

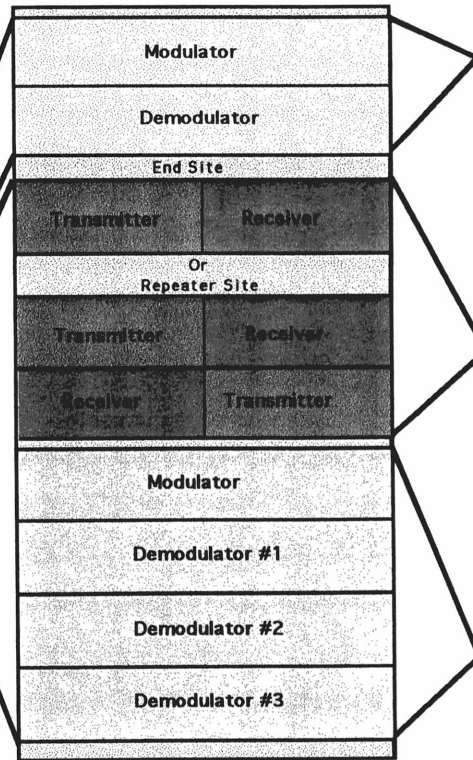
Student Monitors



Teaching Console

Power Pole

School/Community based "Information/Communications Production/Learning Resource Center" - 6 position lab



Data To Optic Transport System

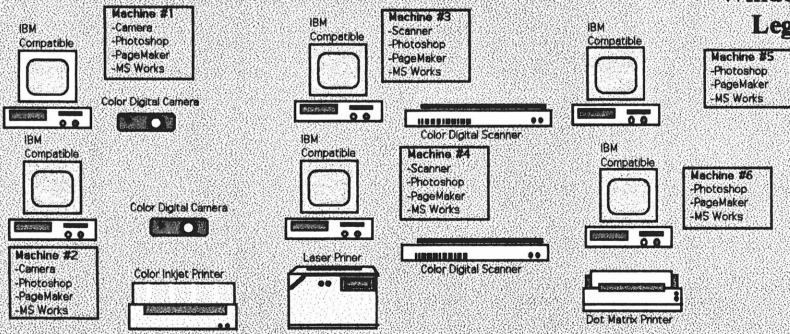
To Optic Transport System

Audio/Video To Optic Transport System

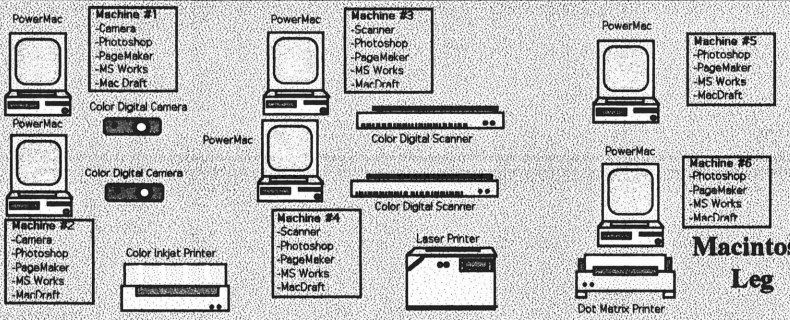
(11)

Data Production/Learning Facility

Windows Leg

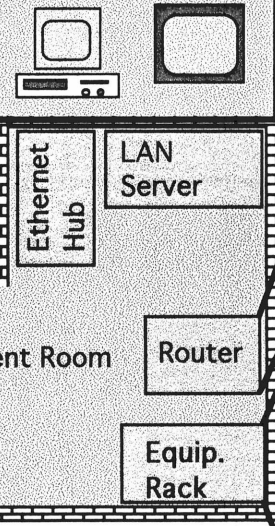


Macintosh Leg

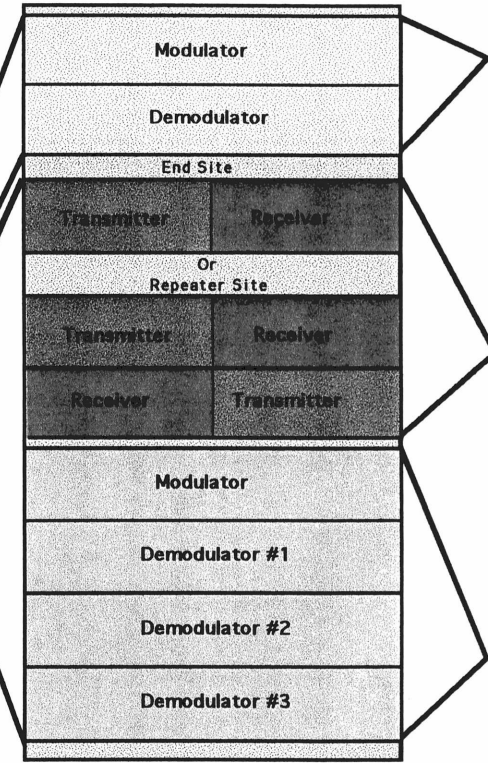


School/Community based "Information/Communications Production/Learning Resource Center" - 12 position lab

Internet/Display Teleconferencing



Equipment Room

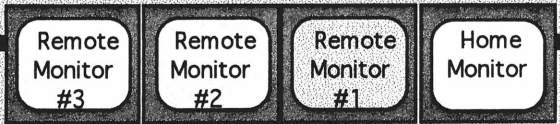


Data To Optic Transport System

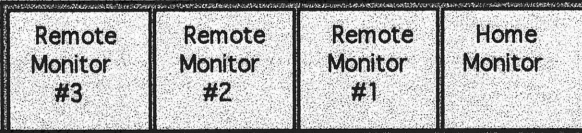
To Optic Transport System

Audio/Video To Optic Transport System

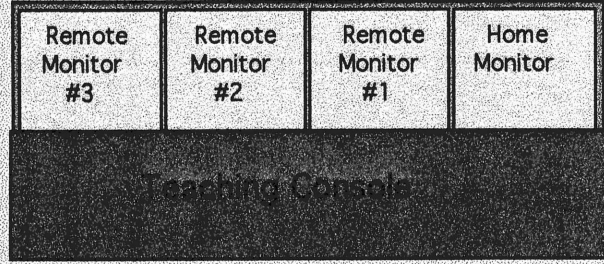
Audio/Video Production Facility



Instructor Monitors



Student Monitors

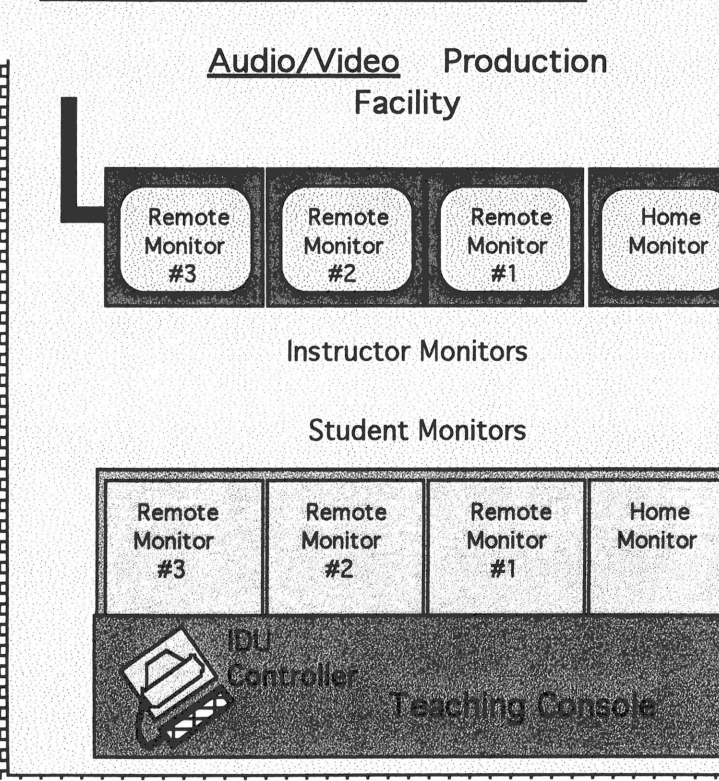
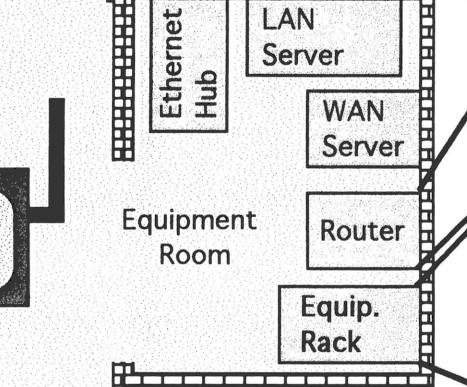
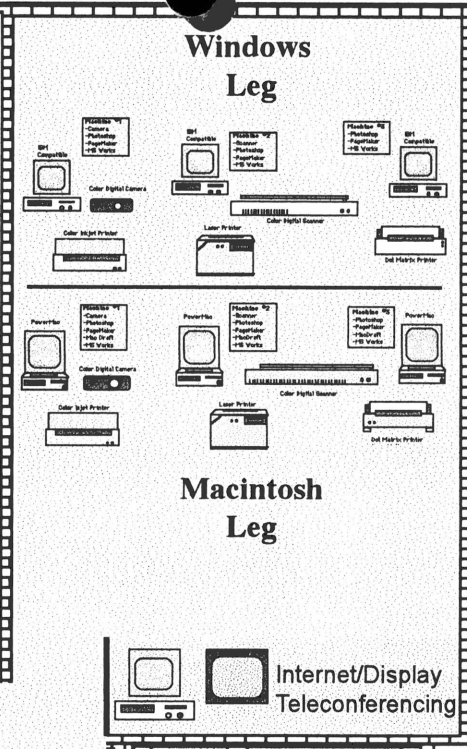
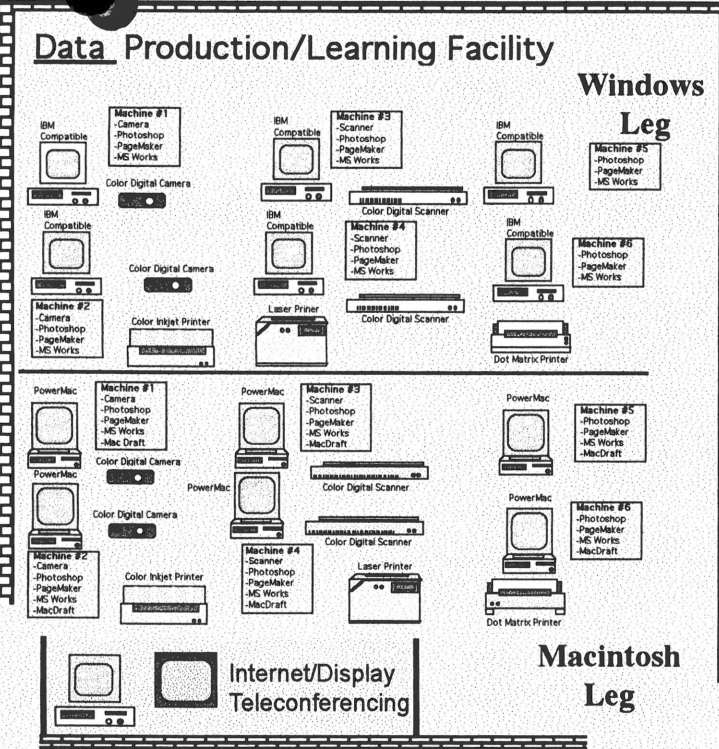


Teaching Console

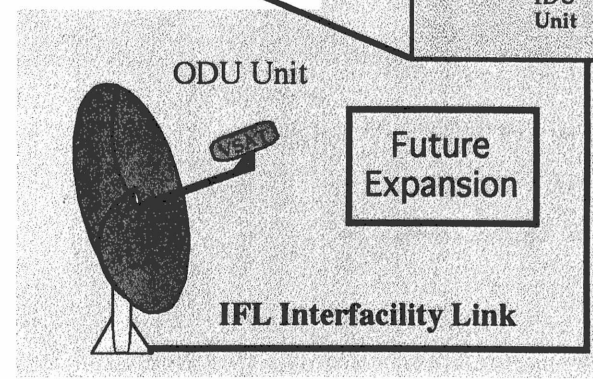
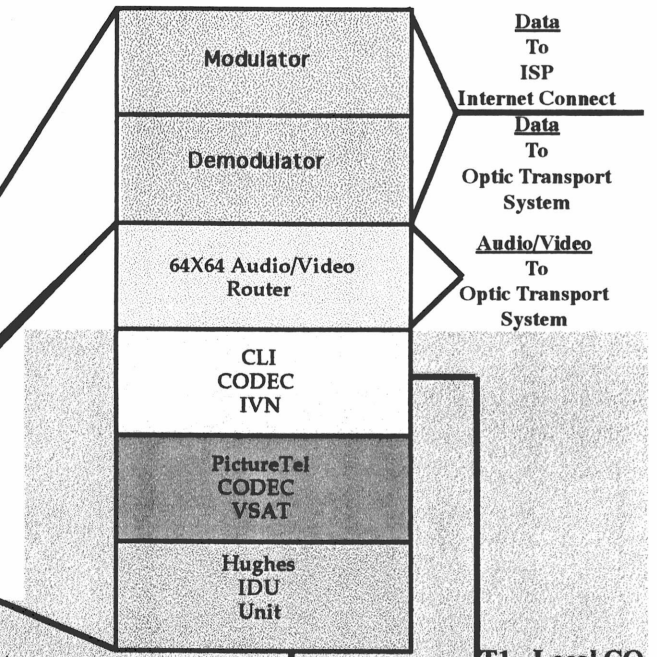
Power Pole

(12)





School/Regional based "Information/Communications Production/Learning Resource Center" Hub Site



(13)

