

1999 SENATE EDUCATION

SB 2441

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2441

Senate Education Committee

Conference Committee

Hearing Date March 24, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-end
1		x	0-287
Committee Clerk Signature <i>Jinda Christman</i>			

Minutes:

SENATOR FREBORG called the Senate Education Committee to order. SENATOR KELSH was absent.

SENATOR COOK reconvened and opened the hearing on SB2441.

SENATOR FREBORG, DISTRICT 8, introduced SB2441. SB2441 offers a very healthy bonus that will be paid after the fact when two or more contiguous districts decide reorganization is for them. We have some districts in mind but it will be entirely up to them. I happen to believe that paying an incentive, a very healthy incentive, is a better way to get districts to reorganize. Must be one or more school districts in the reorganization and must be contiguous,. If they do this they are entitled to receive the reorganization bonus. One must be a high school district and must consist of at least 800 square miles. Anything less would not be considered for a bonus. Under section 2 it talks about the bonus. Under subsection 2 A., \$50,000 for one hundred square mile

block or major portion thereof. So if you have 652 square miles you get paid for 700 with a cap on that of 1,400 square miles. After you total up the square miles when a district is reorganizing you subtract the square miles in the largest district. You would either subtract that from the total square miles of the district or if they exceeded the 1,400 square miles you would subtract square miles in the largest district from 1,400. \$50,000 for 100 square mile block. Under B, \$1,000 per student. That would be calculated by becoming the fall enrollment of the newly reorganized district. Again you would subtract from that amount the fall enrollment in the district a portion of the district that had the largest student population. Subtract the number of students from the largest district within the reorganization. Under C you would get a flat rate of \$25,000 for each whole district that forms a reorganized unit. Subsection 3 simply states that the bonus to the eligible reorganized districts be paid during the month of December following the effective dates of the districts reorganization. I believe all the districts reorganizations are final July 1, six months later. Wonder where the money is coming from, it will be paid out of any surplus in the foundation aid appropriations. Now there is language in there that pays out the surplus but prior to the last payment we would know what's needed for any of the surplus used. SENATOR FREBORG explained the examples in his handout.

SENATOR WANZEK : Your feeling is the carrot would be more affective than a stick. You say there is 750 per pupil cap on section 2 B. If it is there I couldn't find it.

SENATOR FREBORG : I don't see it either, but I do see it in the example I handed out. I may have to have someone catch it as they missed it again in the second writing of the bill.

SENATOR WANZEK : But that was your intent.

SENATOR FREBORG : Intent was to set a 750 student maximum.

SENATOR O'CONNELL : How many schools can use this.

SENATOR FREBORG : I do believe that the intent was to induce at least three groups. I have examples of at least 5-6 groups, but it only takes two districts.

SENATOR O'CONNELL : Any reason for contiguous.

SENATOR FREBORG : It is in the law.

SENATOR REDLIN : In looking at B, if you take it literally, it looks like it says \$1,000 per student calculated in determining the total fall enrollment of newly organized districts and subtracting the amount of the fall enrollment in the district or portion of a district with the largest pupil population. That would say to me that we would take 700 from the 1186 and then pay on the balance. That is quite a sum.

SENATOR FREBORG : That is what it says. Intent was that we cap that at 750 students.

SENATOR REDLIN : That was your intent.

SENATOR FREBORG : Not an error of Council, it was an error of mine because I was told to read the bill several times and I missed it.

SENATOR FLAKOLL : The number 750 was selected because it seemed appropriate. Why was that number selected.

SENATOR FREBORG : Someone else later may want to explain that.

SENATOR FLAKOLL : After consolidation is there a past history that shows about how much is saved in other districts.

SENATOR FREBORG : After about 7 years they would fall into another weighting factor. It would begin to pay dividends. That would be when the state would get their money back.

Certainly it's a tremendous benefit to the students.

SENATOR WANZEK : You say there is a 7 year hold on this so both school districts still be under the weighted factors that they were when they were separate or individual districts.

SENATOR FREBORG : I believe so.

SENATOR O'CONNELL : Why was 800 square miles picked for the newly formed districts.

SENATOR FREBORG : Minimum of 800 square miles. I'll let someone else answer that question.

Testimony in Favor: Bev Nielson, ND School Board Association. I want to speak in favor of the concept of this bill. I do believe this type incentive is something that we need and I think something the school districts will look at. Benefit to them.

SENATOR WANZEK : Do you feel this could potentially be as a school board association member, enough of a carrot for a school board to seriously consider consolidation.

Bev: I think it's generous in this bonus.

SENATOR COOK : If the carrot doesn't work, when does the stick come out.

Testimony in Favor: Larry Klundt, ND Council of Educational Leaders. We support the concept of this bill. If the goal of the Legislature is to cause consolidation to take place, the incentive would help. I don't see anywhere in the bill where the 3 year average enrollment is spelled out. The bill simply says the enrollment of the largest district, not the 3 year average enrollment. It's nice to get an incentive and bonus that last for one year, much more effective if there could be a system in this bill that would create payments over a period of time. Maybe could pay 20-30% over a 7-10 year period rather than a lump sum payment.

SENATOR COOK : Payments stretched over a period of time. The dollars would be the same as the lump sum.

Larry: That would be additional. We do this incentive and then give additional money per pupil payment 7-10 years. That would sustain that consolidation effort.

SENATOR FREBORG : Personally believe a large lump sum payment creates more incentive than spreading out over 7-10 years.

TOM DECKER, DPI took the podium to answer questions.

SENATOR O'CONNELL : Why was 800 miles selected.

Tom: Pragmatic judgments about where we need to go. Our first thoughts were 1,200 square miles but seemed too high. We decided on what was manageable for students to get to high school.

SENATOR COOK : During the interim committee you had a map that showed possible or what the district would look with some proper reorganization. What was the criteria, that the districts would have 75 students or something like that. Would this get us to that point, 800 square miles or would it have to be larger to get us to that point.

Tom: That map had a 20 square mile radius circle around high schools with 75 or more. With that scenario the vast majority of North Dakota is covered.

SENATOR WANZEK : Radius of 20 miles can be tough because I rode the bus 20 miles to school. Might it require the building of a new school in a new location or could it possibly present problems where the 20 mile radius won't be perfect, it will be 35 on one side and 10 miles on the other. Some kids would have to be bused a long distance. Would it be centrally located in the district. Would it require possibly some new construction of new schools.

Tom: Maybe. All of these are voluntarily coming together, we're not telling who to come together. Think of these new reorganized districts under this program as administrative units not

school districts as you think of them today. They can run as many schools as they want, where they want. So if they have 4 facilities within their boundaries now they continue to run them all for some period of time. They can choose any 2 or 4 or they can get down to 1. If the one is not centrally located it is entirely possible. In the case of Northern Cass, they may choose to build a new facility. Relatively few of those circumstances in North Dakota.

SENATOR WANZEK : With this kind of approach the local people will be deciding.

Tom: Absolutely right. What we have now is paralysis. We have units that are so small and struggling to survive and effectively holding up progress.

SENATOR FREBORG : Do you want to speak to the intent of the 750 cap on the students.

SENATOR COOK : The intent in B was to cap the bonus pay for enrollment of 750 students, regardless of what the enrollment of a newly organized district ended up being, the bonus was based on a maximum enrollment of 750. So you subtract the enrollment and we went away from the 3 year average, we went simply to the previous year recorded reorganization enrollment of the largest district. So if you've got total enrollment of 1,100 you immediately go to 750, subtract the enrollment of the largest district in that unit (previous years enrollment) from 750 and you pay enrollment bonuses on that difference. The reason again is that if we don't feel the need here, we're trying to limit the scope to paying bonuses to districts where there is potential significant deficiency by coming together. Any district with enrollment of 250 right now looks like it's viable for 20 years. That's as far out as we can think about.

SENATOR WANZEK : If any one school reorganization effort has 750 students or more, then they wouldn't be anything in that 100. Could they subtract that off the cap.

Tom: There would be no big incentive for one to get involved in the case on enrollment but there is the square mile money.

SENATOR WANZEK : Would they be held harmless as far as the weighted factors per say. They would continue to get the payments with the same weighted factors they had when they were an individual school for up to 7 years.

Tom: That's true. The current reorganization provision in the law would apply to all of these districts. The provision of that reorganization proposal in the law which provides a bonus applies to all the units that would be eligible for buses under this bill. But they are going to get held harmless in weighting categories in addition to the bonus and that plays out over 7 years. Seven years until they get to the actual level that the new district should be at. For 4 years they get held harmless in full and 2 more years it goes down by 1/3 and 1/3.

SENATOR COOK : In this example we have, we have 3 small schools. Can anyone of those three stop this consolidation from happening.

Tom: I'd have to have a map in front of me. I think that the 2 large districts are contiguous. The problem that they have is that they need most of the rest of these to get the 800 square miles. They could drop a couple of them and still be all right. But they need enough of those other districts to meet the 800 square mile limit and there are not a lot of square miles in those other districts but some could drop out but not all of them.

SENATOR COOK : When you mentioned local control to a degree paralyzing, is it because of local control. Does anyone of these schools basically have veto power. Basically we heard of another situation where the school in the middle is the one that stopped reorganization discussion. How do we solve that problem.

Tom: If you are going to take this report you are dealing with the overall issue of school organization. This problem will not be solved this session. What we're doing here is testing the water again to see if a spoonful of sugar will help the medicine go down. If it won't we'll have to find some other method.

SENATOR FLAKOLL : The whole harmless period are those payment numbers based upon actual numbers per year or when it was reorganized. How does that work.

Tom: We continue to treat let's say 4 districts come together. Three of them are below the 75 high school enrollment categories, 3 of those districts with less than 75 would continue to get payments for the resident students of their district under the foundation program in the newly reorganized structure for 4 years. So \$550 a student more than the newly reorganized district would probably be eligible for 4 years, then scaled down over 2 more years. So, it's the payment of the previous district based on their current years enrollment.

TESTIMONY IN FAVOR: JOE WESTBY, NDEA. I'm wondering about the source of the dollar as SENATOR FREBORG explained the bill. This would come out of any remaining money in the foundation aid line item. But we already have a provision in 2162 that stays in there to pay that money out. I have a concern if we are going to further dilute the foundation aide item to fund this. I know he mentioned the possibility of a deficiency appropriation if there isn't sufficient funds left there but I just have a concern about that. Tend to think Larry Klundt's idea that some kind of a payment over a longer period of time might be more of an incentive to those school districts and based on a perpetual kind of payment. We are in support of whatever kind of an incentive plan might work.

SENATOR COOK closed the hearing on SB2441.

SENATOR FREBORG opened discussion on SB2441.

SENATOR FREBORG : I would appreciate it if you would make this motion that on line 18 page 1 we put in after “district”, we put in the language “up to a maximum of 750 students K-12 enrollment.” That language may not be exact but at least it’s the idea we want and Anita will clean it up.

SENATOR COOK : I so move.

SENATOR O'CONNELL : 2nd

SENATOR O'CONNELL : Do you want the 3 year average or do you have a concern on that.

SENATOR FREBORG : We’re not going to put it in.

Vote: 5 Yes 0 No 2 Absent

SENATOR COOK : I move a DO PASS as amended.

SENATOR WANZEK : 2nd

SENATOR COOK : I understand where the funds are coming from. With the amendment we put on 2162 can you explain to me again that this would take priority to any surplus funds that are left.

SENATOR FREBORG : If I remember right that 2nd year payment is paid out in the last 3 payments plus one final payment in June. I would assume that, you see they have to be reorganized by July 1. They would have that 6 month period to determine what they need to pay out, it is only the first half of the 2nd school year in the biennium and I’m sure that they would hang on to enough money to cover that.

Tom: The language in 2162 if I remember correctly talks about payment of unobligated amounts, this would be obligated before we got to that point.

SENATOR FREBORG : I have a question concerning that. I'm thinking the first year of the biennium. I'm trying to think when the first school year ends and when reorganization becomes final. Say school year ends the end of May, reorganization becomes final in July. Can't remember the language but the payment after the first year of the biennium was made on that surplus also was it not.

Tom: Language in there that allows an adjustment in the payment based on 1 st year carryover. Again when they are making that adjustment they would have to take into consideration all potential obligations throughout the end of the biennium. No problems with this in this biennium. Looking ahead we could have a different scenario. We could have a stack of these to deal with in short order after the beginning of the biennium, 1 st year and then have a little different set of problems. That can be dealt with later.

SENATOR O'CONNELL : Say there is a revenue shortfall. Basically then all we have to do is look for a deficiency appropriation in the next biennium.

SENATOR FREBORG : Yes

SENATOR REDLIN : Seems like a part of one bill that went out of here had something to do with a \$200-300 payment for schools with below a certain number of kids, declining enrollment.

SENATOR FREBORG : That did not come through here. That was a floor amendment to 2162. Two million dollars for declining enrollment that was approximately \$310 per student.

SENATOR REDLIN : That's still in the books.

SENATOR FREBORG : Left the Senate, it was still in the books. Assuming the House took it out because there was a lot of talk about it. Think it disappeared, it will be in the conference committee.

SENATOR O'CONNELL : The last I heard a few hours ago it was out.

SENATOR REDLIN : There will be a tremendous variance in the per pupil payment under this program. Wonder if that isn't going to become a problem.

SENATOR FREBORG : We'll ask Tom to speak on that but I think there is some justification in that.

Tom: Formula is designed pretty intentionally to put the incentive where there is the greatest potential gain and the greatest potential difficulty in achieving the result. So the big reward goes to the potentially larger gains and fiscal efficiency in educational quality and greater difficulty in pulling off the consolidation. Four small districts who really need to come together just to provide the basic student group to provide the quality that is a difficult task and the gains for state fiscal so that should be a large bonus there. Lison-Enderlin which are viable districts may gain from coming together and may gain from bringing those 3 small districts in with them. Potential benefit for students overall in that area is not nearly as great because they are viable now.

SENATOR FLAKOLL : On page 2 part 3, payment in December should alleviate our fears.

SENATOR REDLIN : You described it as 3-4-5 districts none of which were really viable by themselves. Are you suggesting that there is one that can be picked out as the high school, with a lot of money coming to that high school, the rest of them are going to say it is worth it going along.

Tom: Educational gain of having all of those students in one high school, which still wouldn't be a lot of students maybe 85-90. Provide the best opportunity we can provide in that area. I think at some point next session we may want to look at some of those kind of circumstances and

really get down to dealing with them. If we bring those 4 districts together and they make the decision at some point to come to a single high school maybe not even a single grade school, that high school ought to be identified as a small but necessary high school. Give the kind of extra bonus that the school administrator was talking about because they fit in the large geographic area that definitely needs service for the long term and where the cost of providing a quality program comparable to what larger high schools can offer requires more money. But I don't think we should put that necessary money out there to every small school in that area. Transportation in that area is another issue. We're developing the capability to do some really objective ironing out transportation situation. We may have to spend more money on transportation to get kids to quality, efficient schools. We need to rethink that as well. No kids on a bus longer than 1 hour. To make that happen and get them to a centrally located facility that will provide them with the best they can provide given their numbers.

SENATOR REDLIN : That's how you justify the \$50,000 even for a little bitty district.

Tom: We need to get to a decision making point where the local make decisions effectively for the next 20 years to which facility we need.

Vote: 6 Yes 0 No

CARRIER: SENATOR FREBORG

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: _____ Amendment to: Eng. SB 2441 – Conf Com

Requested by Legislative Council Date of Request: 4-16-99

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

Narrative:

SB 2441 provides bonuses for school districts who consolidate into larger administrative units. The newly formed units must be at least 800 square miles in area and operate K-12 educational programs. The bonus amount for the 1999-2001 biennium could be up to \$2 million from the foundation aid and transportation grant line in the Department of Public Instruction's appropriation. These payments can be made only from surplus funds in the foundation aid line after all other obligations are met. The bonuses under the bill are paid to districts after the reorganization is completed. The bonus for any reorganized district is capped at \$500,000.

- State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

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

- For rest of 1997-99 biennium: none
- For the 1999-2001 biennium: Up to \$2,000,000 expended from foundation aid grants line
- For the 2001-03 biennium: none

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed,
attach a supplemental sheet.

Signed 

Typed Name Tom Decker

Department Public Instruction

Date Prepared: 4-16-99

Phone Number 328-2267

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: _____ Amendment to: Eng. SB 2441

Requested by Legislative Council Date of Request: 4-8-99

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

Narrative:

SB 2441 provides bonuses for school districts who consolidate into larger administrative units. The newly formed units must be at least 800 square miles in area and operate K-12 educational programs. The bonus amount of the 1999-2001 biennium could be up to \$3 million from the foundation aid and transportation grant line in the Department of Public Instruction's appropriation. These payments can be made only after all other statutory obligations are met. The bonuses under the bill are paid to districts after the reorganization is completed. The bonus for any reorganized district is capped at \$500,000. The amended bill also provides for payment of up to \$3 million in additional foundation aid if carry over exists in the appropriation after other obligations are met.

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

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

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

- a. For rest of 1997-99 biennium: none
- b. For the 1999-2001 biennium: Up to \$6,000,000 expended from foundation aid grants line
- c. For the 2001-03 biennium: none

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Tom Decker

Department Public Instruction

Phone Number 328-2267

Date Prepared: 4-8-99

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: SB 2441

Amendment to: _____

Requested by Legislative Council

Date of Request: 3-23-99

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

Narrative:

SB 2441 provides bonuses for school districts who consolidate into larger administrative units. The newly formed units must be at least 800 square miles in area and operate K-12 educational programs. The bonus amount for the 1999-2001 biennium could be up to \$2 million from the foundation aid and transportation grant line in the Department of Public Instruction's appropriation. The bonuses under the bill are paid to districts after the reorganization is completed.

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

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Fund	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

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

- a. For rest of 1997-99 biennium: none
- b. For the 1999-2001 biennium: Up to \$2,000,000 expended from foundation aid grants line
- c. For the 2001-03 biennium: none

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Tom Decker

Department Public Instruction

Date Prepared: 3-23-99

Phone Number 328-2267

Date: 3/24/99
 Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB244

Senate EDUCATION Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Moved to amend line 18 page 1 put in ^{number} 150 A-12

Motion Made By Cook 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) 5 No 0

Absent 2

Floor Assignment _____

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

Date: 3/24/99
 Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2441

Senate EDUCATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Do Pass 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) 6 No 0

Absent _____

Floor Assignment Sen Freborg

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

REPORT OF STANDING COMMITTEE

SB 2441: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2441 was placed on the Sixth order on the calendar.

Page 1, line 17, after "the" insert "lesser of the"

Page 1, line 18, after "district" insert "or seven hundred fifty"

Renumber accordingly

1999 HOUSE EDUCATION

SB 2441

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2441

House Education Committee

Conference Committee

Hearing Date 3-31-99

Tape Number	Side A	Side B	Meter #
Tape # 1	x		0.1 to 26.2
tape # 2	x		0.1 to
Committee Clerk Signature <i>Joan Diets</i>			

Minutes:

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

Chairman R Kelsch : We will open the hearing on SB 2414 and ask the clerk to read the title.

Senator Freborg: District 8. Amendment page I line 17 after "the" insert 'lesser of the' and page I, line 18, after "district" insert 'or seven hundred fifty'. Subsection b of section 1 a cap of 750 students. This was supposed to be on the original bill, wasn't drafted right. I'm sure you understand what it's all about, school consolidation, trying to reduce several districts in the next biennium. There are some requirements, the reorganized unit must be at least 800 square miles. Made up of at least two districts, one of which must be k-12 and they must be contiguous. There is a formula then, the bonus is based on that formula, square miles in the reorganized unit and we

said at least 800 and capped at 1400. Enrollment in the reorganized unit is capped at 750. In each case, you subtract the square miles in the largest district from either the 1400 or from the actual square miles if less than the cap. The enrollment you subtract amount of the three year average in the largest district or portion of district. Then you receive a bonus for the number of districts coming together or portions of districts coming together. A reorganized district that receives a bonus under this Act is not eligible to receive additional reorganization bonuses based on future reorganization efforts for a period of ten years. The total reorganization bonus to which a newly reorganized district is eligible consists of fifty thousand dollars per one hundred square mile less the square miles of the largest district involved. One thousand dollars per student calculated by determining the lesser of the total fall enrollment of the newly reorganized district or 750 and subtracting from that amount the fall enrollment in the district or portion of the district that had the largest student population of those districts or portions of districts participating in the reorganization during the school year immediately preceding the effective date of the reorganization. Twenty-five thousand dollars for each whole school district that formed the reorganized district. It would be a one time payment to be paid to the district following the July 1st effective date of the reorganization, which means that the first payment would not be due before December of 2000. All reorganizations become final July 1st regardless of how soon they the paper work done on the reorganization. The amount of money available for the bill would be up to two million dollars, that money would come from any monies above and beyond the foundation aid payment or any surplus. It is not in the bill, but it is the intent that we guarantee the per student payment that is in 2162, if there is enough surplus left to fund, if not it is hope that we would make a deficiency payment in the next session, which would be within

weeks of the payment due date of December. This all happens by choice, there is nothing here that says we have to do this. There was a minor problem in the Senate, that was some districts that couldn't make the 800 square miles. They requested that the number be reduced. He then gave several examples of how this would work.

Chairman R Kelsch : Are there any questions from the committee members?

Rep Lloyd: How many consolidations have you identified, have you done a survey to see how many consolidations are potential at this time?

Freborg: I believe that the department could answer better than I, I know that there are quite a few.

Rep Dalrymple: Do we have enough money to do it right? If we have an unexpected response to this, is it right to cut this off at two million dollars? Did you have any discussion in the Senate on how we might supplement that, or how we might treat those that don't make it in time?

Freborg: I don't know that we discussed the dollars very much, but it was a consideration. I would hope that the response would be so great that they would standing in line. If we do this again with the emergency clause, in the next session, could be some language in the bill to take care of it. If we would sunset, the end of the biennium, if we would do this again, we could appropriate money, we didn't discuss that. If we want to stretch the money we could change the formula. The less incentive the less participation.

Rep Carlson: Explain to me again the funding source, how this is going to work.

Freborg: It will come from any surplus in the foundation aid appropriated that is not used to guarantee, 2162 would make the payment of any surplus. If there is not enough money, I would hope when we come back the next session, we would have a bill to pay that amount.

Rep Carlson: My only concern is that if we have people started down this route, we don't have enough money to do the right thing.

Freborg: I would not be opposed to guaranteeing the dollars, to put enough money in to cover it. We are taking money away from the foundation aid program but I think it is for the right cause.

Rep Mueller: Do we not have mechanism in 2162, whereby if there is extra money that, that will go back to the school districts, if we pass this bill, would that not negate 5 that part of 2162?

Freborg: I believe that it would. I'm sure that the Department would pay out any surplus money or adjust the payment in the second year.

Rep Nowatzki: The two million would be coming from the amount budgeted based on enrollment decline that would occur naturally. In the event that things don't happen according to plan, would the rainy day fund cover this.

Freborg: I don't know, but to be very honest, I doubt that anything is automatic.

Rep Aarsvold: Did you take a look at some of the recent reorganizations and apply your formula and how many of those would qualify?

Freborg: I did not.

Aarsvold: That is not my point, I understand that there is a cut off, if these reorganizations should evolve naturally, would they qualify.

Freborg: I don't know.

Rep Hanson: About ten years ago we tried this with up front money, how many schools took the up front money and just dropped it.

Freborg: A good many and that was a bad mistake and we learned a good lesson from that.

Rep Nelson: In an area where a group of elementary school districts come together, they wouldn't be allowed to get this special payment, would they?

Freborg: Must be at least one high school district.

Nelson: They would have to attach themselves to a high school district without creating one.

Freborg: One district must be k-12.

Rep Dalrymple: In the case where you have a large district in terms of students, and a small district next to it, taken together if they can't come up with 800 square miles, are they just out of the program?

Freborg: Yes, that seemed to be the complaint of the small districts.

Chairman R Kelsch : Any further questions?

Rep Lloyd: Why the 800, wouldn't it be better if you had a plus or minus, a per cent or some flexibility?

Freborg: The Department may be better able to speak to this, but from my own point of view, the example I gave you, as in districts 13 and 41, what did we do? We didn't do anything so why pay the bonus. I am not sure where the balance is in the formula. It could use some fine tuning.

Rep Byerly: Could we run into a situation where one of these mergers runs it out of money?

Freborg: I don't think that could happen, you also subtract the average enrollment, you subtract the district with the largest square miles.

Byerly: Would it defeat the purpose of the bill to put a cap on the pool money? Then the pool of money that you have available, you would get a certain number of consolidations.

Freborg: We had considered that, but that would be perfectly allowed.

Lundgren: If there were five districts and each got 500 thousand dollars, what would happen to the fifth district. In the bill, it is first come, first served.

Freborg: If we were short the payment for one district, without looking at the bill, they fall in line as the reorganization plans are approved. The department would know there would be no money for the fifth district.

Rep Nowatzki: Could it be and either or situation and change the bill?

Freborg: We put no minimum on the bill.

Nowatzki: Could we put the cap at a certain number and change the minimum on the square miles?

Freborg: There are dozens of ways to improve this bill, but I will leave it up to the committee.

Rep Haas: If there is a surplus in the foundation aid, why aren't we increasing the per pupil payment?

Freborg: We are not going.

Haas: If we use four fifths of a hundred thousand frame work, the time frame was set up to benefit all students.

Freborg: It can be done, but you know we can't get the votes on the floor.

Rep Brandenburg: I know, I introduced amendment to share a superintendent, school boards from back home called and want to do this, the people want to do this, but we can't get the votes.

Bev Nielson: NDEA spoke in support of SB 2441.

End tape 1 side A, begin tape 2 side A.

Aarsvold: School districts who would be there to take advantage of the plan, would you react to that please.

Be Nielson: I think its true that there is nothing specific in the bill for those types of things, I think that when we once get over the hurdle, of the board and the community trusting each other, so you can get a vote to allow the consolidation, down the road they will recognize the efficiency. We pay per pupil where the kids are here or there.

Chairman R Kelsch : Anyone else who wishes to testifying support of, anyone who is neutral.

Max Laird: President of NDEA. rise to speak in support of the concept. We have some concerns in part because this bill comes through the delayed bill process , it is difficult to access the full impact. First, we are in a situation of decline and we need to address that. It appears that this concept has merit, by virtue of placing the dollars at the end of the tunnel. Two sections of 2162, the first , it says in the present bill that the superintendent shall make an adjustment based on student numbers. He then quotes from the bill and makes further comments on that portion of the bill. The payment on the per pupil basis will vary and can it be sustained over the long haul.

Rep. Mueller : The amendment on 2162, how this kind of legislation will effect the intent restructuring amendment?

Laird: I have heard conversations in both houses on declining enrollment, demographics, quality and funding of schools. My response is it has been brought forward, we discuss it and when we go to the votes it doesn't follow the conversation. Rep Haas recommended a study and I commend that, this is a big issue. This bill may move in that direction, but I don't know if it does. It may or may not work.

Chairman R Kelsch : Anyone else wishing to appear neutral, anyone in opposition? The chair then called Tom Decker from DPI to answer a few questions.

Tom Decker: DPI School finance. The 800 square miles is no magic number, only what might work. To try the carrot approach one more time, in a way that may produce a long term result. Went on to give some information on the number of counties and how many districts total there are in the state.

Rep Nelson : Have you run the numbers, and is it safe to say, the saving in the weighted pupil formula they added payment would go towards creating that surplus in the end to pay for this program. Can you put a hard number on that savings?

Decker: I can give you a general idea and if you want run specific ones, I can give you detailed on any one. We have the whole harmless in the law now. That allows districts to reorganize now. And that doesn't result in any additional cost to the state. But if you put together several districts and push the enrollment over 75 students category, the immediately savings is \$550.00 per student in a k-12. We made that effective k-12 last session. So if you go through category by category, there is significant savings in aid payments to the state provided their enrollment holds up. The cap on students in ten years might bring us to 350 to 400 students. The point of the formula is to reward difficulty of getting the job done and the potential gains to the state of North Dakota.

Rep Nelson : The whole harmless provision is that three years?

Decker: That is seven years.

Rep Nelson : Wouldn't those efficiencies that the state would gain be an incentive for the state of North Dakota to continue this program after this current biennium.

Decker: We should continue to fund if we get takers.

Page 9

House Education Committee

Bill/Resolution Number Sb 2441

Hearing Date 3-31-99

Vice Chair Drovdal : Is it conceivable that in ten years the legislature would consider consolidating one more time.

Decker: Yes, we would like the results to last twenty years.

Vice Chair Drovdal : Do you have a suggestion as to how we can improve the results?

Decker: There is no magic here, all the numbers are open to your judgment.

Aarsvold: The two recent reorganizations, how do they stack up under the provisions of the bill.

Decker: Neither of those were 800 square miles, so they won't qualify.

Chairman R Kelsch : Any further questions for Mr Decker? Anyone else who wishes to testify on SB 2441? We will close the hearing on SB 2441.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB-2441-Tape 1

House Education Committee

Conference Committee

Hearing Date 4-5-99

Tape Number	Side A	Side B	Meter #
Tape # 1	x		0.1 to 44.0
Tape # 2	x		0.1 to 24.4
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:

Chairman R Kelsch, Vice Chair Drovdal, 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.

COMMITTEE ACTION

Chairman R Kelsch : Call the House Education Committee to order. We will take up SB 2441.

Does anyone have any prepared amendments for this bill? There are a couple of areas we talked about when we had our joint meeting, lifting the two million cap so there is not a cap on the dollar amount, so if there were more school districts that qualified under this act, that more districts would be able to get money other then just up to the two million. One of the other thoughts was to cap the dollar amount the school district can receive, the amount said at the meeting was \$500,000. On a related issue, on Friday in the Appropriations, when they voted on

Page 2

House Education Committee

Bill/Resolution Number SB 2441-Tape 1-4-5-99

Hearing Date 4-5-99

SB 2162, the contingency payment section of that bill was removed because they felt it was better addressed in this bill. It deals with if this dollar amount paid out of contingency dollars which is what was said in the hearing, that would need to be addressed in SB 2441 as well.

Committee discussion.

Rep Dalrymple: Appropriations Chairman We either set up a fund or prescribe what to do with the unused portion of the funds.

Rep. Nowatzki : Prior to when the House Appropriations Committee amended, the way 2162 left here is that if monies were appropriated, they would go out, right. The way 2441 was presented to us last week, is that the two million cap that is in there, would come out of other monies, due to declining enrollment. Right.

Chairman R Kelsch : Correct. Committee discussion was held to clarify some of points of the bill.

Rep Dalrymple: The Appropriation Committee took out the carry over funds because there was conflict with this bill, the bill is a good proposal and the committee would like to see it fully funded.

Committee discussion was again held on the issue. Tome Decker was called to give information on contingency payment. Also his thoughts on the 800 square mile issue and his thoughts on consolidation. The cap was discussed and it was decided to recess until later in the day when more information could be gotten and amendments presented. Committee adjourned.

FURTHER COMMITTEE ACTION

Page 3

House Education Committee

Bill/Resolution Number SB 2441-Tape 1-4-5-99

Hearing Date 4-5-99

Chairman R Kelsch : We will call the House Education Committee back to order. We will take up SB 2441. I will hand the gavel over to the vice-chair for the purposes of amendments.

Vice Chair Drovdal : The floor is open to any motions.

Rep Kelsch: I would move to amend SB 2441 on page 1 line 23, replace "Twenty-five" with "Fifty". on page 2 line 7, replace "THE" with "After all other statutory obligations have been met within the limits of legislative appropriations, the". On page 2, line 11, replace "except that" with "provided" and replace "two" with "three". On page 2 line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars". On page 2, line 14, after the period insert "If any funds remain in the grants - foundation aid and transportation line item after the obligations of the Act are met and after all other statutory obligations within the limits of legislative appropriations are met, the superintendent of public instruction shall distribute the funds as a separate and additional per student payment on a weighted basis as determined under chapter 15-40.0."

Rep Brusegaard : seconded the motion.

Vice Chair Drovdal : Any discussion on the amendment. There followed a discussion on the amendments with clarification given on some points by Chairman R Kelsch .

Vice Chair Drovdal : I will call for a voice vote on the amendments. Motion carried. I will turn the gavel back to the chair. Vice Chair Drovdal proposed amendments 90846.0301.

Rep L Thoreson : seconded the motion.

Chairman R Kelsch : Committee discussion on the amendments. Voice vote on Vice Chair Drovdal amendments. Motion carried.

Rep Nelson : Moved to insure 1.5 million dollars be used on the reorganizational fund.

Page 4

House Education Committee

Bill/Resolution Number SB 2441-Tape 1-4-5-99

Hearing Date 4-5-99

Rep Brusegaard : seconded the motion.

Chairman R Kelsch : Committee discussion. Called for a voice vote on Rep Nelson amendment.

Motion was defeated. We now have the amended bill in front of us, what are the wishes of the committee?

Vice Chair Drovdal : Move a DO PASS as amended.

Rep. Mueller : seconded the motion.

Chairman R Kelsch : Committee discussion. We have a DO PASS as amended motion on SB

2441, we will ask the clerk to take the roll. The Motion PASSES 10 YES 4 NO 1 Absent

Floor assignment Rep Brusegaard . The bill will be placed on the 6th order and re-referred to the

Appropriations Committee.

Date: 4-5-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2441

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 90846.0303 title, 05th order

Action Taken Do Pass as amended + Re-refer to Appr.

Motion Made By Drovdal Seconded By Mueller

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) 10 No 4

Absent 1

Floor Assignment Brusegaard

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

REPORT OF STANDING COMMITTEE

SB 2441, as engrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2441 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "and" with a comma

Page 1, line 8, after "miles" insert ", and that the superintendent of public instruction, using demographic and statistical data provided by an institution of higher education in this state, determines that the reorganized district will have a student population and an economic base sufficient to allow the provision of appropriate educational opportunities to its students for a period of at least ten years from the date of its reorganization or that the reorganized district will need to be maintained for a period of at least ten years from the date of its reorganization to serve students residing in a sparsely populated area of the state. A reorganized district may appeal the determination of the superintendent to the state board of public school education. A determination of the state board under this section is final"

Page 1, line 23, replace "Twenty-five" with "Fifty"

Page 2, line 7, replace "The" with "After all other statutory obligations have been met within the limits of legislative appropriations, the"

Page 2, line 11, replace "except that" with "provided" and replace "two" with "three"

Page 2, line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars."

Page 2, line 14, after the period insert "If any funds remain in the grants - foundation aid and transportation line item after the obligations of this Act are met and after all other statutory obligations within the limits of legislative appropriations are met, the superintendent of public instruction shall distribute the funds as a separate and additional per student payment on a weighted basis as determined under chapter 15-40.1."

Renumber accordingly

1999 HOUSE APPROPRIATIONS

SB 2441

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 6, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0-21.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2441

CHAIRMAN DALRYMPLE opened the meeting on SB 2441.

1A: 1.4 REP. RAEANN KELSCH provided an explanation of the bill.

1A: 4.5 REP. DELZER asked if any money put out would be on a weighted per pupil basis? Rep. Kelsch replied that this was correct. Rep. Delzer continued by saying that he felt that we had already paid what had been promised, and the rest should go to the general fund.

1A: 5.3 CHAIRMAN DALRYMPLE asked how the Education committee felt the extra funds should be distributed. Rep. Kelsch replied that the Education committee felt that the money should be distributed.

1A: 5.8 REP. CARLSON asked about the 800 square mile requirement. Rep. Kelsch said she was not sure this was the magic number. With Drovdal's amendment there would be some discretion on the part of the Superintendent of Schools.

1A: 6.7 CHAIRMAN DALRYMPLE asked what the purpose of the discretion was, and what would be decided. Rep. Kelsch replied that she didn't know if it would do what Rep. Drovdal wants it to do. Drovdal was concerned about the number of students.

1A: 7.5 REP. DELZER asked if there were a limit on bonuses. Rep. Kelsch said no.

1A: 8.6 CHAIRMAN DALRYMPLE said there should be an option in the bill for schools that get to be very large. Rep. Kelsch replied that they only had a half hour to get the bill out of their committee. Chairman Dalrymple said that in a case where a small district wants to attach to a larger district, it would not work with the current formula. He asked if a whole group of schools were being left out of consideration with this.

1A: 10.1 REP. MONSON said that very small schools would have a way to benefit and would have an incentive. This amendment is on SB 2162.

1A: 11.4 CHAIRMAN DALRYMPLE said there are about 50 stand-alone elementary schools, and asked if Rep. Monson's amendment would be a replacement for this. Rep. Monson replied that it would not be a replacement, but an incentive for them to close up and send their kids to another school.

1A: 12.5 REP. DELZER asked when the money is paid. Rep. Kelsch replied that it is paid to each individual school district after reorganization, but it would go into a reorganization fund.

1A: 13.9 REP. MONSON asked if each old district received funds. Rep. Kelsch said each whole district gets \$50,000 after reorganization. Rep. Monson asked if it was just \$50,000 and whether it went into the pot. Rep. Kelsch said this was correct.

1A: 14.8 REP. POOLMAN asked if there had been discussion of the \$2 million. Rep. Kelsch said that the Education committee was in a hurry so not much discussion was held. They know that \$1.5 million would be in the pot ready for reorganization. Many did not know what was going on until after the fact.

1A: 15.9 REP. DELZER said he could not support page 2, line 16 of the amendment. When the legislature comes in to do their job, the school districts have a set amount of money.

1A: 16.8 REP. BOEHM asked if the final payment would raise the bar. Chairman Dalrymple replied that if extra funds are distributed as Foundation Aid it would be perceived as per pupil payments.

1A: 17.4 REP. CARLSON said that page 1, line 8 of the amendment was confusing. He asked how it would ever be done. It serves only to make someone feel pretty good. Rep. Kelsch replied that Rep. Drovdal thought we currently have the stats, and we should take the information to determine whether it is in the best interest of some districts to reorganize. None of the committee members really knew what the amendment would do.

1A: 19.5 REP. DELZER asked if it were possible that the people in a district may vote to reorganize, only to have the Superintendent of Public Instruction say no. Rep. Kelsch said this was possible. It's not that they couldn't reorganize, but that they may not receive the bonus.

The meeting was adjourned.

Date: 4-6-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2441

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Remove am. p. 2 line 14

Motion Made By Delzer Seconded By Carlson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold		X	Svedjan	X	
Bernstein			Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz		X
Carlisle					
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether					
Kerzman		X			
Lloyd	X				
Monson		X			

Total (Yes) 10 No 7

Absent 3

Floor Assignment _____

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

Date: 4-6-99

Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2441

House APPROPRIATIONS Committee _____

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken am. 0309 restore p2 line 14 - add "limit of \$4 mill"

Motion Made By Monson Seconded By Nichols

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly		X	Poolman		X
Aarsvold	X		Svedjan		X
Bernstein			Timm		X
Boehm		X	Tollefson		X
Carlson		X	Wentz	X	
Carlisle		X			
Delzer	X				
Gulleson	X				
Hoffner					
Huether	X				
Kerzman					
Lloyd		X			
Monson	X				

Total (Yes) 8 No 9

Absent 3

Floor Assignment _____

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

Fails

Date: 4-6-99

Roll Call Vote #: 3

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2441

House APPROPRIATIONS Committee _____

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 0216

Action Taken adopt 0216

Motion Made By Byerly Seconded By Poolman

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	x		Nichols		x
Vice-Chairman Byerly	x		Poolman	x	
Aarsvold		x	Svedjan		x
Bernstein			Timm		x
Boehm		x	Tollefson	x	
Carlson	x		Wentz		x
Carlisle					
Delzer		x			
Gulleson		x			
Hoffner		x			
Huether					
Kerzman		x			
Lloyd	x				
Monson		x			

Total (Yes) 6 No 11

Absent 3

Floor Assignment _____

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

Fails

Date: 4-6-99

Roll Call Vote #: 4

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2441

House APPROPRIATIONS Committee _____

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number 0309

Action Taken reinstate p. 2 line 16 with limit of \$3 mill.

Motion Made By Wentz Seconded By Nichols

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	x		Nichols	x	
Vice-Chairman Byerly		x	Poolman		x
Aarsvold	x		Svedjan		x
Bernstein			Timm		x
Boehm	x		Tollefson		x
Carlson		x	Wentz	x	
Carlisle					
Delzer		x			
Gulleson	x				
Hoffner	x				
Huether					
Kerzman	x				
Lloyd	x				
Monson	x				

Total (Yes) 10 No 7

Absent 3

Floor Assignment _____

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

Date: 4-6-99

Roll Call Vote #: 5

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 244

House APPROPRIATIONS Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number 0304

Action Taken DPAA

Motion Made By WENTZ Seconded By LLOYD

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	x		Nichols	x	
Vice-Chairman Byerly		x	Poolman		x
Aarsvold	x		Svedjan		x
Bernstein			Timm		x
Boehm	x		Tollefson	x	
Carlson		x	Wentz	x	
Carlisle					
Delzer		x			
Gulleason	x				
Hoffner	x				
Huether					
Kerzman	x				
Lloyd	x				
Monson	x				

Total (Yes) 11 No 6

Absent 3

Floor Assignment MONSON

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

REPORT OF STANDING COMMITTEE

SB 2441, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 6 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2441 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page ____ of the House Journal, Engrossed Senate Bill No. 2441 is amended as follows:

Page 1, line 23, replace "Twenty-five" with "Fifty"

Page 2, line 7, replace "The" with "After all other statutory obligations have been met within the limits of legislative appropriations, the"

Page 2, line 11, replace "except that" with "provided" and replace "two" with "three"

Page 2, line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars."

Page 2, line 14, after the period insert "If any funds remain in the grants - foundation aid and transportation line item after the obligations of this Act are met and after all other statutory obligations are met within the limits of legislative appropriations, the superintendent of public instruction shall distribute up to three million dollars of any remaining funds as a separate and additional per student payment on a weighted basis as determined under chapter 15-40.1."

Renumber accordingly

1999 SENATE EDUCATION

SB 2441

CONFERENCE COMMITTEE

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2441CC

Senate Education Committee

Conference Committee

Hearing Date April 9, 1999

Tape Number	Side A	Side B	Meter #
2	x		0-3481
4/12/99 1	x		3610-end
4/12/99 2	x		0-1448
4/14/99 5	x		0-1269
Committee Clerk Signature <i>Linda Christman</i>			

Minutes:

CONFERENCE COMMITTEE

SENATOR FREBORG REP. KELSCH

SENATOR WANZEK REP. MONSON

SENATOR KELSCH REP. GRUMBO

SENATOR FREBORG called the conference committee to order on SB 2441. All members present.

SENATOR FREBORG : Would someone explain the House amendments briefly.

REP. KELSCH: The House amendment on page 1, line 23, we changed the \$25,000 to \$50,000 for each home school district. The reason behind this was we felt if they were going to be reorganizing \$25,000 probably wasn't a lot of money and would rather see a little more money go in. We came up with \$50,000, we just doubled it, I don't know if that is a magic number. We

decided it needed to be more than it was originally was. On page 2 , line 7 the reason for that amendment that says “after all statutory obligations have been met within the limits of legislative appropriations.” The reasoning behind that amendment was we were told that we were going to use the surplus dollars or the carry over dollars to distribute the reorganization bonus, that there are some statutory obligations that we need to take care of first. One of them is ESL, special ed, etc.

SENATOR FREBORG: ESL is not in foundation aid, it is a separate line item in 2013.

REP. KELSCH: Special education students served out of the district, limited English proficient students and tuition reimbursement for students, those are the three areas that we were alerted to that need to be paid out prior to distributing any of the money in the surplus payment. That was why that amendment was put in, we capped the reorganization bonuses not to exceed \$500,000 and we thought that having 3 million instead of 2 million was probably a little bit of an idea letting them know that the carrot was out there and there would be money should 4 areas decide that they want to redistrict that would take us up to the two million possibly if we went up to 6 at least they would know that the money is available. The last amendment is not my amendment.

REP. MONSON: It’s my amendment and reason being we took the section out of 2162 with the idea that we would move it into this, for whatever reason I don’t know. We were going to move the section that paid off the extra money that was appropriated and we tried to insert that into this bill in the appropriations committee and we couldn’t get it out. So we had to start figuring out ways to get it in there to get so that it would be compromise because there were quite a few who didn’t like the idea of paying out any of that extra money.

SENATOR FREBORG : Any surplus that is left will first have to fund 3 million dollars of bonus payments and then we could pay out 3 million of the surplus of foundation aid and the rest will go back. Knowing that the payments won't be made until December 2001 why was the extra million dollars a concern. Wouldn't language be better to say you do the processing you get in line with a lot of money and it will be considered in the next session. This was an experimental thing and now we're going to be taking foundation aid money. Two million dollars was fine but you took out declining enrollment and now we have another million dollars in payments that at best we'll spend the 3 million on 12-15 districts.

REP. KELSCH: This was a dollar amount that was designated payments that could be paid out for the reorganization bonus however if that is not paid out that is included in that 3 million dollars.

SENATOR FREBORG : I understand that, but if there is a 6 million dollar surplus to cover the bonuses and pay additional 3 million dollars on the foundation aid.

REP. KELSCH: If there are that many reorganizations up to the 3 million dollars that would be correct. However if there is only 1 million in reorganizations it is going to pay out the 3 million and then you have 4 million.

SENATOR FREBORG : My point, that if the House thought another million was necessary they are certainly expecting a run on the money.

REP. MONSON: We had to make sure that we had plenty.

REP. KELSCH: Basically you are looking at about 1 ½ % cap on foundation aid budget and in the House Education Committee 2162 came over, we had one bill before 2162 that dealt with issue paying out the contingency payment. We heard that and amended the bill to cap it at 1

1/2%. The only amendment that was put on in appropriations was the last amendment was the one capping the 3 million dollars. All the amendments prior to the last one were House Education Committee.

SENATOR FREBORG : I don't understand that as the bill was in House Ed first why on earth would they draft an amendment for House Ed on 4/7. You said part of that amendment is from House Appropriations but they didn't have the bill yet. How did that work.

REP. KELSCH: That is right, they did not have the bill yet and what they did was because the amendments were not completed by the time the Appropriations Committee had their hearings so they had their hearing at 8:00 in the morning and the amendments were not finished until 10:15. So what I did was walk them through and told them what the amendments were that the House Education Committee had put on. But we did pass out later that afternoon we passed the amended House version with the amendments on that we had put on in the House Education Committee. The amendments passed and it was on to appropriations and appropriations further amended.

SENATOR KELSCH : In the first place I guess what happens if we happen to gain a few students, we don't have anything left over, which could happen. There is a lot of funding in here, I don't understand how the statutory obligations are not on the line item some place else that would come out of this reserve.

SENATOR FREBORG : I believe the statutory obligation on that reserve that fund the total amount of money that goes to foundation aid and a couple of other places. The reserve comes from foundation aid.

SENATOR KELSH : What's leftover . That is suppose to be spent, if we appropriate it and appropriate so much. I think the \$2,000 is plenty and you mention about December of 2001, I think you meant 2000 because December of 2001 is wrong. I certainly don't like the last part of the amendment at all. I think it is appropriated it should be paid out. I think the 3 million is a million too much .

SENATOR FREBORG : Sorry, I meant 2000, session would be in 2001.

SENATOR KELSH : Don't like the last part of the amendment, what we appropriate should be paid out, I think that the three million is 1 million too much. I don't know about going from 25,000 to 50,000, I have a problem with that. The second page, I am in favor of.

SENATOR WANZEK : I am not certain there are that many reorganizations that will use up that kind of money. I think there are some better means to use that kind of money.

SENATOR KELSH : Do away with the money in foundation aid. I think I would like the school districts to pay it, but most of the school districts that are in tough shape because of foundation aid, don't want to.

SENATOR WANZEK : Three million dollars divided by 500,000 which I am not certain that every reorganization needs a cap we are talking about six with the district, without a carrot how many districts would have reorganized without the carrot and meet all those criteria.

SENATOR FREBORG : I don't know but it would have certainly used up all the money by the six districts, some have give 230 and some 280.

SENATOR WANZEK : Even if they use the full cap, I would be surprised that all six districts meet this criteria. I don't know if we need 2 million dollars and the carrot.

REP. KELSCH: Only a couple of districts that exceed the 500 thousand cap, a couple of them, one is 250 thousand, one is 400 thousand, with that we could probably get 8-10.

SENATOR WANZEK : I don't even think their will be six. Some of the districts in my legislative area that have called me on this are the ones that could benefit the most from this are the ones that are most against this. Still think that putting this carrot out their to help the districts out. Don't want to force them but I want some incentive if we have to face this situation.

SENATOR FREBORG : Given the fact that this bill exists and the funds appropriated to it, if there is a surplus, is that costing us anything anywhere else. No consideration is given to any other bill around that will use the money here and take it out of there, like declining enrollment or anything else, so there is plenty of money for both.

REP. KELSCH: I move that the House recede from the House amendments and the conference committee further amend.

REP. MONSON: I would move that the Senate accede to the amendments and that we further amend the line item that has been moved from two million to three million. I move that we put the amount at two million in the consensus for consolidation.

REP. KELSCH: 2nd

REP. GRUMBO: The thing that I don't like is the cap and not being able to distribute dollars and now we are capping. Extra million will help to some degree if it ends up there so that is my feeling to this amendment.

SENATOR FREBORG : You are saying a cap of three million rather than two million.

REP. MONSON: I am talking about the cap on the refund after the funding has passed.

SENATOR WANZEK : Is this a motion to accede to all the House amendments and to further amend.

REP. KELSCH: Yes.

SENATOR FREBORG : The Senate will accede to the House amendments. Which means that we agree with your amendments but when we further amend we reduce the three million to two million. That is the motion that we are discussing and we have before us.

SENATOR WANZEK : Point of order that we are acceding to these amendments, can we further amend and would it affect other things than these amendments.

SENATOR FREBORG : We can further amend these amendments, can't amend the bill but we can amend the bill. Are we ready to vote.

Motion carried.

SENATOR KELSCH : I further amend that the cap be taken out of the amendment, page 2, line 14 that all of the remaining money's be paid out.

SENATOR KELSCH : We need the language that says all statutory regulations, isn't that implied.

SENATOR FREBORG : All that you would have to remove is up to three million dollars of "shall distribute any remaining funds."

SENATOR KELSCH : Superintendent shall distribute all funds associated with DPI shall distribute all remaining funds, after distribution, take out three million dollars replace that with all remaining funds remaining on a per student basis.

SENATOR FREBORG : Are we ready for the question.

Motion Failed.

SENATOR WANZEK : Can we ask for another meeting, what if we further amend and discuss enrollment issues.

SENATOR FREBORG : We can further amend the amendment but I am not sure what the possibilities are. We can easily have one more meeting but let the committee know that the issue will be solved at the next meeting. We are about settled now but we will give them the opportunity at the next meeting and then we are done.

SENATOR FREBORG adjourned the conference committee.

APRIL 12, 1999 AM COMMITTEE

SENATOR FREBORG opened the conference committee on SB 2441. Members present included: Sens. Freborg, Wanzek and Kelsh and Reps. R. Kelsch, Monson, and Grumbo.

SENATOR FREBORG: Are we still at 800 square miles?

REPRESENTATIVE KELSCH: We did discuss changing that but when we called Mr. Decker in to go through it the Education committee felt that was the best number.

SENATOR FREBORG: There was a scenario to lower the mileage with a number of students. You had to have a minimum of 250 students if you were below 800 square miles. The district made requests to lower the minimum of square miles.

REPRESENTATIVE KELSCH: We talked about it but this seemed the best option at this point.

SENATOR FREBORG: I really have a hard time discussion this bill with the same problem I brought up in SB 2162. I think we should do one or the other.

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SENATOR WANZEK: We had moved to accede to the House amendments and then further amend. We did amend the on the bonus total dollars from three back two? As far as the cap per district that was \$500,000, was there any discussion on that?

SENATOR FREBORG: No and there wasn't much of a problem 25,000 to 50,000 per district for reorganization.

SENATOR WANZEK: I really don't have much of a problem up to that point. I am concerned with the language that deals with paying the foundation, transportation, appropriation out with the surplus that is left at the end of the biennium. The fact that we are in agreement with most of the other provisions, I'd like to move an amendment. I move to overstrike the language on the second page with the language "up to \$3 million of".

REPRESENTATIVE KELSH: I second.

SENATOR WANZEK: It would make it a better bill for me. That would be the one sticking point.

REPRESENTATIVE GRUMBO: I feel that way too.

SENATOR KELSH: I cannot support the bill with the cap in there.

SENATOR FREBORG: Why was this amendment not on SB 2162?

REPRESENTATIVE KELSCH: The reason this amendment wasn't on SB 2162 was due to the fact that we were paying reorganization bonuses out of those dollars and thought it was most appropriate on SB 2441. Also, the appropriations committee had already removed that section off of 2162 because they didn't feel the money should go back out.

4-12-99

REPRESENTATIVE MONSON : The majority has no problem with paying out some of that. We tried to float it through the appropriation committee in the House and it didn't go anywhere. It is a hard sell without the cap.

REPRESENTATIVE KELSCH: I think it has a chance. I have concerns. The bill didn't pass with a majority in the House. There could be a couple of reasons. One may be the cap or some members believe if there are miscalculations the money should go back to the general fund and be used for education. If we take the cap out and the bill fails, then we don't have that contingency payment amendment in any bill.

SENATOR FREBORG: We know it will be on this one or SB 2162. But if this motion does prevail here then we need to put it on SB 2162. The greater problem is the money going to the small rural districts and it was coming out of the foundation.

SENATOR KELSH: I'm assuming the way this will be financed is only out of any money that is left over. What would be the funding process if there wasn't any money left over? Would we in a situation where there would be an emergency appropriation?

SENATOR FREBORG: That is possible. There are several options. We would want emergency legislation to make the appropriation. I feel strongly that they would guarantee the per pupil payment and make that payment.

SENATOR KELSH: If it is taking money, is there something that happens?

SENATOR FREBORG: I would hope the Legislation honors the commitment that is in this bill.

SENATOR KELSH: You would be taking it directly out of foundation aid.

SENATOR FREBORG: With this bill taking any excess, the first \$2 million in excess, not going to happen.

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REPRESENTATIVE MONSON: The more we put into the line item telling how much the pupil per payment will be, if we don't put more money into the total appropriations your statement would be correct. I read this as this could possibly be funded before the final payment for foundation aid goes out. If this uses up all \$2 million there would be a possibility there wouldn't be enough for the second years payment in foundation aid.

SENATOR FREBORG: Why do you want to keep raising problems?

REPRESENTATIVE KELSCH: If our amendment is correct. After the obligations are met, it looks like if we have the amendment right, it would be distributed but only after the statutory obligations are met, you'd have to make the other payments first before you could distribute the reorganization bonuses.

SENATOR FREBORG: It looks that way. I think it would be better worded if it came due in the December following reorganization becoming final rather than the payments will be made; "shall distribute reorganization bonus for the year 2000" that would be in conflict with the House amendment.

REPRESENTATIVE KELSCH: Would we even need to have section 3 in this?

SENATOR FREBORG: We could remove subsection 3 of section 1 except if you take that out there are no guarantees. If the districts read the legislation if we pass it as it is they won't reorganize. We don't want them to reorganize and not pay.

REPRESENTATIVE MONSON: If we took out #3, they won't reorganize either. Without number three they might find that they did it all for nothing.

4-12-99

SENATOR KELSH: Is it the intention that this is only a two year bill? If they were in the middle of reorganization and didn't get it completed until July 1, 2001 but were in the process they would expect to get nothing.

SENATOR FREBORG: I believe if they were going to do it they would do it immediately so that their organization becomes final July 1, 2000. If they don't there won't be money.

Tape 2

SENATOR WANZEK: Is there a date when they can reorganize?

SENATOR FREBORG: There is a time line so that they could not reorganize in 1999. All reorganizations of when they have finished their reorganizations become final July 1, 2000. I don't think it is possible to do it before then. They would go through the entire process and wait until July 1, 2000 and the following December they would receive their payment.

SENATOR WANZEK: I would assume that can't be done this year. There is no way they would be able to have that done by July 1, 1999.

SENATOR KELSH: Is 2000 the only window of opportunity?

SENATOR FREBORG: I believe that is true. The July date is well ahead of the end of the biennium. Tom, what is your best judgment?

TOM DECKER: The earliest possible date would be July 1, 2000 and we would pay in December. The next cycle, July 1, 2001, they are into the next biennium on their reorganization date. The only opportunity for this bill is to reorganize July 1, 2000 and get the payment in December of 2000. The committee may want to consider the possibility of schools getting in line for the future with the anticipation of future payments.

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SENATOR FREBORG: How about the fact that July 1, 2001 is within the next biennium and if their reorganization became final and there were funds left there would be a deadline to qualify for those funds.

TOM DECKER: July 1, 2001 is within the next biennium.

SENATOR FREBORG: There is no way they could possibly qualify.

TOM DECKER: Do you want to encourage getting in line unless there is extremely short notice to get paid this biennium?

SENATOR FREBORG: The motion to remove the cap is still on the floor.

The motion was voted on (5 Yeas, 1 Nay and 0 Absent and Not Present).

SENATOR FREBORG: The motion carried to remove the cap on paying out any surplus dollars. Do we want to try to figure something out on subsection 3 of section 1?

SENATOR WANZEK: You say July 1, 2001 is the next biennium. June 30, 2001 is the 1999-2000 biennium. What if schools were reorganized by June 30, 2001. The act of reorganization occurred and dollars left over that fit in line with our \$2 million.

SENATOR FREBORG: It doesn't become final until our next biennium which is July 1. All organizations become final July 1 which is the next biennium. I know that on a budget bill, money in technology, we may take a portion of that and put it back in 2162. There might be other options for section 3.

SENATOR KELSH: What can we do?

SENATOR FREBORG: We could guarantee the payment but we can't guarantee it in December if we have not met all other obligations. If we pay this out but don't have enough to meet the other obligations then what happens.

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REPRESENTATIVE MONSON: What if we change December to April 30 because that would be after all foundation aid and other payments were made. This would come before the end of the biennium when all of the extra money was paid out. Would that put this reorganization ahead of the very last one?

SENATOR FREBORG: I think we can fix it so it doesn't conflict with the foundation aid payment. I'm wondering if we didn't have some clean up language for the payment in June on the other bill.

TOM DECKER: We did provide for payout of all remaining funds when obligations were all met.

SENATOR FREBORG: In with that language, wasn't there a final payment to be made in June of any other funds?

TOM DECKER: SB 2162 had a mid year adjustment and an ending payout in April of whatever funds were left.

SENATOR FREBORG: At what point are all obligations met?

TOM DECKER: The final payments for some of these things are made in May.

SENATOR FREBORG: So we are right to the end of the biennium before all other obligations have been paid.

TOM DECKER: If we want to know to the last penny what is obligated and not paid we would make the decisions in May and June.

SENATOR FREBORG: We would really have a bad problem here.

TOM DECKER We've decided that we can anticipate those obligations and make adjustments as they go.

4-12-99

SENATOR FREBORG: Probably not if this payment was made in December. If the payments were made in December, could you anticipate what your obligations will be and pay out this \$2 million safely?

TOM DECKER: I'm 99% sure. There is enough slack in foundation aid. \$2 million is less than 1/2 of 1% of this appropriation.

SENATOR FREBORG: We've see it over and under.

TOM DECKER: The big "if" here is the general fund revenue.

REP. KELSCH: It is not necessary to meet before SB 2162 and, in the meantime, we can look at how to better address subsection 3 in section 1.

SENATOR FREBORG: There shouldn't be much we'll have to do.

REP. MONSON: If we're really serious about this bill then we need to guarantee that the districts that do bite on this will get paid. I think we'd have to leave #3 in there and remove on line 7 on page 2 on the House amendments. Do you want to act on that or wait.

SENATOR FREBORG: We will wait.

April 14, 1999

REP. KELSCH: Do we need to have the section 2 payout part in here. We probably don't need that being we have in 2162. We could eliminate the paragraph the House amendments where it says it on page 2, line 14. we do not need that paragraph except the first part of it to pay out.

SENATOR FREBORG : Do we even need that with the language on 11 and 12.

REP. KELSCH: The second part of the amendment is paying out the remainder after this two million dollars is paid out after statutory obligations have been met. But the way I understand it,

4-14-99

with 2162, if there is dollars remaining they are paid out based on ADM. This might be a conflict with what we've done on 2162.

SENATOR FREBORG : The difference in the two bills is this would pay it out on weighted units.

REP. KELSCH: I move to strike this language because we are addressing the rest of the dollars in 2162 which is where you said the contingency payment amendment should have been in the first place. I don't see the need for the remaining language.

SENATOR FREBORG : The last bill to be signed becomes law.

REP. KELSCH: Correct, however, why was this put on to 2441. Simply because it was not in 2162. It is now and this is just duplicate language.

SENATOR FREBORG : I understand that but it is totally different. One is ADM and one is weighted.

REP. MONSON: 2nd

REP. MONSON: What do you prefer ADM or weighted.

REP. GRUMBO: I'd rather see the weighted units.

SENATOR KELSCH : What is the sum of the discussions on weighted or ADM.

SENATOR FREBORG : We didn't move the amount of money I thought we would. I understand we can't have two of these. If Rep. Kelsch's motion passed this morning we'd have 3.5 supplemental payments all being paid out on ADM which is not totally ADM because you have that minimum but we are looking at 9 million there.

REP. KELSCH: I think you are making assumptions on my motion but it didn't pass.

SENATOR FREBORG : No, it didn't but the money is still there.

4-14-99

SENATOR KELSH : On 2162, is it an uncapped payment of the contingency fund. On this bill there was a cap of 3 million on the money that could be paid out and we took it off.

SENATOR FREBORG : It does that in 2162 also on ADM.

Vote: 6 Yes 0 No

Motion Carried.

SENATOR FREBORG : Are you confident that we should pay 50,000 bonuses per district rather than 25,000.

REP. KELSCH: The discussion was if we are going to make the payments they should be worthwhile and 25,000 isn't as worthwhile.

SENATOR FREBORG : They do get two other payments: 1,000 per student and they are guaranteed if there are two districts they get a 1,000 for every student in the smallest district.

REP. MONSON: I move to pass the bill.

SENATOR WANZEK : 2nd

Vote: 6 Yes 0 No

SENATOR FREBORG adjourned the conference committee.

Date 4/9/99
 Roll call vote # 1

Please type or use
 black pen to complete

1997 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2441

Senate _____ Committee _____
 Subcommittee on _____ (Identify or
 Conference Committee _____ (check where
 (appropriate)

Legislative Council Amendment Number _____

Action Taken Moves accede H amendments & further amend line item of § 3 to § 2 -
mlw

Motion Made By R. Kelsch Seconded By Monson

Senators	Yes	No	Representatives	Yes	No
<u>Debing</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>R. Kelsch</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Wang</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Monson</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Kelsch</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Grumbo</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Total 5 1
 (Yes) (No)

Absent _____

Floor Assignment _____

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

Date 4/9/99
 Roll call vote # 2

Please type or use
 black pen to complete

1997 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB2441

Senate _____ Committee _____
 Subcommittee on _____ (Identify or
 Conference Committee _____ (check where
 appropriate)

Legislative Council Amendment Number _____

Action Taken Motion removal of language page 2, line 14
up to 3 million dollars

Motion Made By K Secended By _____

Senators	Yes	No	Representatives	Yes	No
<u>Freborg</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Kelsch</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Wanzel</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>monson</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Kelsch</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Drumbo</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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Total 4 2
 (Yes) (No)

Failed

Absent _____

Floor Assignment _____

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

Date 4/12/99
 Roll call vote # 1

Please type or use
 black pen to complete

1997 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2441

Senate _____ Committee _____
 Subcommittee on _____ (Identify or
 Conference Committee _____ (check where
 appropriate)

Legislative Council Amendment Number _____

Action Taken Move to overstrike language page 2 "up to 3 million dollars"

Motion Made By W Seconded By Kelsch

Senators	Yes	No	Representatives	Yes	No
<u>Deberg</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Kelsch</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Wang</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Monson</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Kelsch</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Humbert</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Total 5 1
 (Yes) (No)

Carried

Absent _____

Floor Assignment _____

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

Date 4/14/99
Roll call vote # 1

Please type or use black pen to complete

1997 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2441

DO NOT USE HIGHLIGHTER ON ANY FORMS

Senate _____ Committee _____
Subcommittee on _____ (Identify or
Conference Committee _____ (check where
(appropriate

Legislative Council Amendment Number _____

Action Taken Page 2, line 14 / strike lang. from "If any funds remain"

Motion Made By Kelsh Seconded By Monson

Senators	Yes	No	Representatives	Yes	No
<u>Sen. Treborg</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Kelsh</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Sen. Wanzel</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Monson</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Sen. Kelsh</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Grumbo</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Total 6 0
(Yes) (No)

Carried

Absent _____

Floor Assignment Treborg

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

Date 4/14/99

Roll call vote # 2

Please type or use black pen to complete

1997 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB2441

Senate _____ Committee _____

Subcommittee on _____ (Identify or

(check where

Conference Committee _____ (appropriate

Legislative Council Amendment Number _____

Action Taken Motion to pass out SB 2441

Motion Made By Mon

Seconded By Wanzek

Senators	Yes	No	Representatives	Yes	No
<u>Sen. Greborg</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Kelso</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Sen. Wanzek</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Monson</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Sen. Kelso</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Rep. Grumbine</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Total 6 0
(Yes) (No)

Absent _____

Floor Assignment Greborg

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF CONFERENCE COMMITTEE

SB 2441, as engrossed: Your conference committee (Sens. Freborg, Wanzek, Kelsh and Reps. R. Kelsch, Monson, Grumbo) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1155-1156, adopt amendments as follows, and place SB 2441 on the Seventh order:

That the House recede from its amendments as printed on pages 1155 and 1156 of the Senate Journal and pages 1287 and 1288 of the House Journal and that Engrossed Senate Bill No. 2441 be amended as follows:

Page 1, line 23, replace "Twenty-five" with "Fifty"

Page 2, line 7, replace "The" with "After all other statutory obligations have been met within the limits of legislative appropriations, the"

Page 2, line 9, replace "items" with "item"

Page 2, line 11, replace "except that" with "provided"

Page 2, line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars."

Re-number accordingly

Engrossed SB 2441 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

SB 2441

SCHOOL CONSOLIDATION BONUS SYSTEM
SAMPLE CONSOLIDATIONS

School Districts	Square Miles	K-12 Enrollment	FG1 Expenditure
Enderlin	282.00	392	\$1,863,783
Fort Ransom	66.50	31	242,132
Lisbon	364.50	700	2,926,206
Salund	34.80	7	41,176
Sheldon	<u>134.38</u>	<u>56</u>	<u>379,323</u>
	882.18	1186 / 750	\$5,452,620
	<u>-364.50</u>	<u>-717 / -717</u>	
	517.68	469 / 33	
	5 x 50,000 = \$250,000	33 x 1000 = \$33,000	5 districts x 25,000 = \$125,000
Total Bonus \$408,000			