

2013 SENATE EDUCATION

SB 2214

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2214
2-4-13
18196

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to transition payments for isolated school districts; to provide an effective date; and to declare an emergency

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll opened the hearing on SB 2214

Senator Heckaman District 23: I am here to introduce SB 2214. (See written testimony #1 attached) I am also going to propose an amendment. (Attachment #2) Also passed out attachment #3 from Kely Ekren of Kensal, ND and attachment #4 from Kelly Taylor, Superintendent of Mohall Lansford Sherwood Schools, and attachment #5 Corbley Orgen, Zeeland Public School)

Chairman Flakoll: Is it safe to say that everyone you received testimony from gets money with this?

Senator Heckaman: Yes. There are eight that are going to fall off from the small school district's payment schedule. They are Bowman County, Wing, Twin Buttes, Robinson, Zeeland, Wolford, Mohall, Lanceford, Sherwood, Kensel (attachment #6 the schedule of payments for them) The payments would drop this year to 75%, the next biennium 50% and the following biennium 25%.

Larry Svata Superintendent of Wolford Public School: I wish to testify in support of SB 2214. (Written Testimony #7 attached) We are looking at a 16.9% reduction in state aid. Kayla Effortz said due to declining enrollment, high valuation, and the history of transition payments, it is not looking good.

Senator Luick: What is the definition of an isolated school?

Larry Svata Superintendent of Wolford Public School: The district must be within 275 miles and 100 students or less for enrollment.

Senator Marcellais: How many students are at the Wolford Public School?

Larry Svata Superintendent of Wolford Public School: 42

Senator Poolman: How much are you spending per pupil?

Larry Svata Superintendent of Wolford Public School: I can email that to you.

Chairman Flakoll: What are your enrollment trends?

Larry Svata Superintendent of Wolford Public School: 40-45 range. They are down 20 from five years ago.

Chairman Flakoll: What changes have you made to adjust for a 33% reduction in student enrollment?

Larry Svata Superintendent of Wolford Public School: I took early retirement. We hired a part time instead of full time instructor. We are doing DCE classes.

Chairman Flakoll: Are you interfacing with the house on the big bill?

Larry Svata Superintendent of Wolford Public School: When I spoke with Kayla, the hold harmless was based on weighted student unit payments.

Senator Heckaman: Where would your students go if they did not have a school?

Larry Svata Superintendent of Wolford Public School: Cando, Rugby, Rolette, Rolla. We would have a lot of elementary students on the bus for quite a while.

Tom Tracy, Kensal Public School Superintendent: If you look at declining enrollment, all of the schools around us have also declined in enrollment proportionally. I have been in Kensal for 22 years. There were 103 kids when I first came. We will have about 40 next year. All of the schools around us including Carrington, they have declined in the same way. We are small but isolated based on the old parameter. We receive about \$10,000 from the federal government. I can understand why some or most might think we need to draw the line some place. Another way to look at it is if we start eliminating schools will it change the makeup of North Dakota. Over half of our kids are in the town of Kensal that falls outside the circles. We have tried to do things very conservatively. I don't think anyone understands the Governor's bill including the Governor. If we lose our small but necessary school status we will lose potentially a substantial amount of income which will hurt our chances to stay open. We have tried to do things right. We are paying our teachers and administrators less.

Chairman Flakoll: What is your ending fund balance percent wise?

Tom Tracy Kensal Superintendent: Right around 30% of the previous year's expenditures.

Chairman Flakoll: Does anyone wish to testify in opposition of SB 2214? Seeing none, will Jerry Coleman please come to the stand?

Chairman Flakoll: How will this bill interface with HB 1319?

Jerry Coleman, DPI: It extends the five year transition to six and Senator Heckaman has an amendment to make that permanent. The new formula establishes a base line for school districts based on the state aid payment. You turn that into a weight per weighted student unit. Their base line is pegged to what they are getting in state funds. It will fluctuate with the amount of students they have. In the second year there is an additional hold harmless put in. Their dollars can't be less than 98% of what they got the previous year. That baseline was the state aid line so the transition payments for the hold harmless should be in the baseline.

Chairman Flakoll: Is this the complete list of those who qualified? (Referring to Senator Heckaman's list attachment #6)

Jerry Coleman, DPI: Yes that is DPI's work so those are the amounts the transition payments are based on.

Chairman Flakoll: Is what is proposed in the bill outside the formula? Are those dollars from the fiscal note outside the formula?

Jerry Coleman, DPI: The executive recommendation contains dollars to cover the transition adjustments as they were considered in 2150. If you add the sixth year that would cost another \$130,000 to fund. Money is already set aside in the appropriation bill to cover \$325,000 of the cost of this.

Chairman Flakoll: How would it work if they would change the waiting factor for small isolated schools?

Jerry Coleman: I doubt that would replace the transition adjustment. It would increase the amount per student they would get somewhat but that is all driven by the number of students.

Chairman Flakoll: Some districts receive different amounts because of changing enrollment right? They are not all going to get the same on funding formula?

Jerry Coleman: If you are referring to the new formula, the small districts would be held harmless beginning in the second year to no less than 2% in dollars of state funding.

Senator Heckaman: This funding is still not included in that 2% right so they actually will get less total?

Jerry Coleman: The funding would be included in their baseline so whatever happens the first year in the formula will establish the state level funding for that second year so if they receive a transition payment this year, that would be included in their baseline.

Chairman Flakoll: I am guessing none of these schools are over the threshold for ending fund balances?

Jerry Coleman: Only Robinson has had issues.

Chairman Flakoll: Senator Heckaman could you walk us down the list we have and we will transpose them starting with Bowman County their cost per pupil.

Senator Heckaman: I have three here: Kensel \$15,144 Zeeland: \$14,825 Welford \$17,055 and Robinson's ending fund balance is 54%. Those are the 2010-11 numbers.

Senator Heckaman: Robinson's per pupil cost is \$30,733

Chairman Flakoll: Close hearing on SB 2214

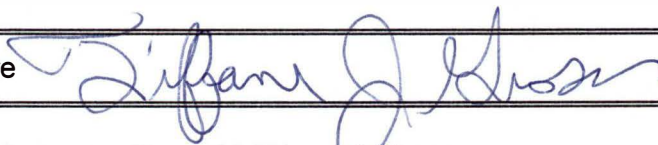
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2214
2-6-13
18401

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to transition payments for isolated school districts; to provide an effective date; and to declare an emergency

Minutes:

You may make reference to "attached testimony."

Senator Heckaman: I move a Do Pass on 2214 and re-referred to Appropriations

Senator Marcellais: Second

Senator Luick: What were we looking at on lines 14-22. Was there an amendment coming for that?

Senator Heckaman: I withdraw my Do Pass

Senator Marcellais: I withdraw my second

Senator Heckaman: I Move amendment 13.0552.01001 to SB 2214

Senator Marcellais: Second

Senator Heckaman: There is some difficulty consolidating and they would like the full payment so this is a mini hog house of this bill which allows the payment this school year to continue. If they are operating and the children don't have to be on the bus for 2 hours we should be able to pass this bill.

Chairman Flakoll: They are guaranteed a certain amount of dollars then, not dollars per student is that correct?

Senator Heckaman: That is correct. If you are operating a school building and you drop 5 students you still have to pay all of the expenses of that building itself. There are constant expenses.

Chairman Flakoll: How might this interface with HB 1319?

Senator Heckaman: I didn't get a definitive answer. Mr. Coleman thinks this would be

included somehow in that and no one would get less than they did within a reasonable percentage of what they have been getting this year. However inflation brings up the cost of a school's expenses every year. One of my schools will get several thousand dollars less this year just because of their 2%. The result of oil country moving may change the grade schools because now the elementary schools are too small which means soon the middle and high schools are too small.

Vice Chairman Schaible: Three schools would receive their payment permanently now. This forces the question of reorganizing. By doing this bill with amendments we take that away from them. I don't think this is forcing them to close their school. It forces them to find alternatives.

Senator Heckaman: There are two schools on here, Mohall Lansford Sherwood and Bowman County and I think they will roll off this list because of the definition of isolated schools.

Vice Chairman Schaible: This doesn't take into account, it locks them in and they get that payment so it might take them off.

A roll call was taken to adopt the amendment: 3 yeas, 3 neas, 0 absent

Vice Chairman Schaible: Move a DO not pass on SB 2214

Senator Poolman Second

Senator Luick: This would entice the districts to get conversations going about incorporating.

Senator Heckaman: I agree. It reduces the payments. It takes them to 2017.

A roll call vote was taken for a Do not pass on SB 2214: 3 yeas, 3 neas, 0 absent

Senator Heckaman: I move a Do Pass on SB 2214 and re-referred to appropriations

Senator Marcellais: Second

A roll call vote was taken for a Do pass on SB 2214 and re-referred to Appropriations: 3 yeas, 3 neas, 0 absent

Senator Heckaman: I move SB 2214 Without Committee Recommendation and re-referred to Appropriations

Senator Marcellais: Second

A roll call vote was taken for a Without Committee Recommendation: 6 yeas 0 neas, 0 absent.

Senator Heckaman: Will carry

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Bill/Resolution No.: SB 2214

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$453,611		\$194,405	
Appropriations			\$324,008			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2214 provides transition payments for isolated school districts that became ineligible for the isolated school district factor as a result of changes made last biennium.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The transition payments provided for in the Executive Budget were set to phase out at 75% and 50% and 25% each year based on the amount generated in the last year of eligibility. This bill changes the phase out period to 100%, 75%, 50% and 25% each year. The Executive Budget contains \$324,008 to cover the cost for the 2013-15 biennium. The changes in this bill increase that cost to \$453,611 for an increase of \$129,603.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Executive Budget contains \$324,008 for the transition payments (identifiable within the K-12 funding proposal). \$129,603 will be needed to fund the revised expenditure requirements.

Name: Jerry Coleman

Agency: Public Instruction

Telephone: 328-4051

Date Prepared: 01/19/2013

2214

Date: 2-06-13
Roll Call Vote #: 132013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee☐ Check here for Conference Committee

Legislative Council Amendment Number

13.0552.01001

Action Taken

adopt amendment

Motion Made By

Heckaman

Seconded By

Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll		<input checked="" type="checkbox"/>	Senator Joan Heckaman	<input checked="" type="checkbox"/>	
Vice Chairman Donald Schaible		<input checked="" type="checkbox"/>	Senator Richard Marcellais	<input checked="" type="checkbox"/>	
Senator Larry Luick	<input checked="" type="checkbox"/>				
Senator Nicole Poolman		<input checked="" type="checkbox"/>			

Total (Yes)

3

No

3

Absent

0

Floor Assignment

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

transition payments

2214

Date: 2-06-13
Roll Call Vote #: 22013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do Not Pass

Motion Made By

Schaible

Seconded By

Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Joan Heckaman		<input checked="" type="checkbox"/>
Vice Chairman Donald Schaible	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Senator Richard Marcellais		<input checked="" type="checkbox"/>
Senator Larry Luick		<input checked="" type="checkbox"/>			
Senator Nicole Poolman	<input checked="" type="checkbox"/>				

Total (Yes) 3 No 3Absent 0

Floor Assignment _____

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

2214

Date: 2-06-13
Roll Call Vote #: 32013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do pass & refer

Motion Made By

Heckaman

Seconded By

Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll		✓	Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible		✓	Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman		✓			

Total (Yes) 30 No 3

Absent _____

Floor Assignment _____

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

2214

2-06-13
Date: ~~2-06-13~~
Roll Call Vote #: 4

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO.

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken WCR & re-ref to appropriators

Motion Made By Heckman Seconded By Marcellais

Senators	Yes	No	Senator	Yes	No
Chairman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman					

Total (Yes) 06 No 0

Absent _____

Floor Assignment Heckman

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

REPORT OF STANDING COMMITTEE

SB 2214: Education Committee (Sen. Flakoll, Chairman) recommends BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2214 was rereferred to the Appropriations Committee.

2013 SENATE APPROPRIATIONS

SB 2214

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2214
02-13-2013
Job # 18856

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to transition payment for isolated school districts; to provide an effective and to declare an emergency.

Minutes:

See attached testimony

Chairman Holmberg called the committee to order on Wednesday, February 13, 2013 at 8:30 am. Roll call was taken. All committee members were present except Vice Chairman Grindberg . Sheila M. Sandness from Legislative Council and Lori Laschkewitsch from OMB were also present.

Senator Joan Heckaman District 23 introduced the bill and provided Testimony attached # 1 and Testimony attached # 2 - the list of the hold harmless districts is attached.

Larry Svata Superintendent of Wolford Public School could not be here but he said that Minot State University came to their school to review and evaluate their business education program and he said they met the state standards they had a strong recommendation to continue what they are doing. They have 95% of grade 7-12 at proficient or advanced on the state assessments and 85% of grades 3-6 were proficient or advanced. They will also be here Feb 28th to showcase some of their skills for the Legislature. I will now get back to my testimony.

Senator Gary Lee : I am trying to reflect back, so there is a factor in the formula that is going to phase out this is to offset this phasing out then?

Senator Joan Heckaman District 23: That is true. There are still a number of schools that the factor works for. These eight schools attached, it does not work for so they would be phased off the isolated school program and they asked to stay on because of the cost of their small schools. Some of the schools don't even provide health insurance for their teachers.

Chairman Holmberg Are these all high school districts?

Senator Joan Heckaman District 23: They are elementary and high school.

Senator Robinson: You referenced a gal that is traveling 50 miles a day, has there been discussion in the Education Committee about students traveling greater distances than that?

Senator Joan Heckaman We have not received specifics that some students travel. Mr. Coleman brought data on bus routes. We have one school that the bus route is 136 miles long. That's way out of line but if we are going to keep our rural agriculture communities viable, we need to keep these schools open. These schools are seeing an increase. Midkota is going to add two portables to their elementary school and they are by Cooperstown.

Senator Kilzer: On the fiscal note it says \$324,000 for the next biennium and then \$194,000 for the subsequent biennium. This is reminiscent in medicine of the SGR, sustained growth rate. Is this a Parallel situation that we are going to see for several succeeding biennium?

Senator Joan Heckaman District 23: I can't answer that. The decrease here is the amount the schools are going to reduce funding as a result of this bill. I took Wolford as an example because they came and testified. The appropriation they will receive this year will be cut down by 25% next year and pretty soon they will get no extra funding. I can't say if it will be back in two years.

Senator Wanzek- If this bill was not to pass, it would eliminate that payment altogether next biennium?

Senator Joan Heckaman District 23- it just decreases it down. After next biennium they will be down to 50% of that which doesn't give them very much. I think Wolford gets \$60,000 and then will go down to \$40,000 and finally \$20,000 and the last payment they get will be about \$6,000. To them, \$60,000 is a lot of money. Their per pupil cost is higher than Bismarck or Fargo, but they are serving a rural agricultural communities. We need to keep these schools open.

Senator Mathern: If it gets larger and larger, do they still have schools in different areas? Is there a prohibition from having a school in a remote area that might be small even though it is a large district and can we fund that small school?

Senator Joan Heckaman District 23 - What has happened is some of the districts have combined. That's the towns of Mackville, Petersburg, Michigan, Pecan, and Tolna now make up Dakota Prairie. Now those have combined and cut down because of the costs.

Senator Mathern Even if the district gets larger do we have the mechanism to keep all the buildings open? I know for example, in Wyoming they have a school district that covers thousands of square miles and a little school that is funded. They don't close the little school just because it made the district bigger. Are we basically closing the schools as we make districts bigger?

Senator Joan Heckaman District 23- I think we are in the state of North Dakota because of the funding mechanisms. It is not feasible to keep all of the schools open so they have

gone to two schools because of the funding they received. My school district is an example of that. The New Rockford school district many years ago consolidated with Cathy, and recently in the last eight years they consolidated with Sheyenne. They kept Sheyenne Elementary open for a few years. To keep a building open is a large portion of your budget and they weren't able to do that so now that building is closed too and all the students are bussed to New Rockford.

Chairman Holmberg Sometimes you keep the building open for political reasons. We used to call these small but necessary schools.

Jerry Coleman, DPI: I don't have much detail about Wolford. I know they have about 50 students. I will give you some overview of what's necessary about this bill. Last session the criteria for eligibility for the isolated schools factor in the formula was changed. There are two criteria: the district needs to be at least 275 square miles and less than 100 students. Then it triggers a .10 factor in the funding formula. The districts we're talking about here became ineligible under that criteria so in session law, the school funding bill last time gave them five years of payments then phase down, and then to be gone. This bill puts that language in century code and adds another year to that. The executive budget for K-12 contains some of this money. The additional cost of adding that other year is \$130,000 for 8 school districts. Two are K-8 districts that don't provide high school services.

Senator Mathern: Is there a continuing funding provision for a permanent funding of small but necessary schools where in certain distance triggers in a permanent higher allocation versus this decreasing allocation?

Jerry Coleman: There is that isolated school trigger. What triggers that is a sufficient size in square miles for the school district and a small number of students less than 100. The previous formula took a look at if that school closed and the students had to travel 15 miles for elementary that triggered the additional factor in the formula. Last session that criteria was changed to consider both geography and critical mass size.

Chairman Holmberg -there is no requirement in the statute that a school district has a certain number of students before it is considered viable?

Jerry Coleman-That is correct. It would be a local school district decision.

Senator Robinson: The department has a publication of the largest to the smallest schools in the state. I would like that. How does this reconcile with the discussions we have had over the years about small but necessary schools? This particular package, and then our discussion, historically every session we deal with small but necessary schools.

Jerry Coleman- The House Education committee is considering amendments to address waiting factors for smaller schools. Currently the factors will give a .25 additional weight for school districts under 185. The house education committee is considering amendments on extending the schedule down farther. This is a discussion on additional help for small schools. There is a cost in both terms of money and viability in proving a robust education program.

Chairman Holmberg- The primary consideration is the quality of the education for the students going to school. The other side of the argument on small but necessary is when do we recognize the patient has died and take them off life support?

Senator Gary Lee: Historically a number of school districts have been going down over the last five years. This is supposed to continue over the next 5 years. How have these schools fared in terms of being able to continue? Are they going away because of the amount of students?

Jerry Coleman: It is fair to say that. Over time, it takes a while for a community to come to grips whether or not they can provide a viable school. That contributes to the move to dissolve the school district and attach to others or to reorganize with a neighbor if that makes sense. That continues to happen at a slower pace. Our enrollments now are starting to increase in certain areas of the state . Rurally in agriculture, they don't have the students in those areas so there are distance and cost issues.

Senator Wanzek: The small but necessary factor is that .10?

Jerry Coleman: Yes it's 01.

Senator Wanzek: You were saying it is not only the geographic size, but you also take into consideration the distance to an alternative school for students?

Jerry Coleman: That consideration of the distance to travel was the old criteria. The new criteria just takes a look at the geographic size of the district (275 square miles) and less than 100 students. That qualifies them as isolated.

Senator Wanzek-Isn't it possible for a district that doesn't qualify for the mileage but there isn't another option. Even though they don't meet the mileage and have a long distance to go?

Jerry Coleman: Those are the only two criteria that exist.

Chairman Holmberg-That was the policy that this legislature mandated to go. The bill is simple. I will welcome a motion at this time.

Senator Erbele moved a do pass. Senator Mathern seconded.

Chairman Holmberg- Some of the districts are on life support but there are real problems if they are that far away from the next district and how do you mandate from the state that you had better give a good education to these kids because I do know when Dakota Prairie was doing the combination, the big fear was which town would lose the elementary school because that would really hurt the grocery store.

Senator Wanzek: We are transitioning out of the small but necessary factor for these schools. We are still providing them with their state aid.

Senate Appropriations Committee
SB 2214
02-13-13
Page 5

**A Roll Call vote was taken for a Do Pass on SB 2214 Yea: 10 Nay: 2 Absent: 1
Education Committee will carry the bill. Senator Heckaman is the carrier.**

The hearing was closed on SB 2214.

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Revised
 Bill/Resolution No.: SB 2214

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$453,611		\$194,405	
Appropriations			\$324,008		\$64,802	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2214 provides transition payments for isolated school districts that became ineligible for the isolated school district factor as a result of changes made last biennium.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The transition payments provided for in the Executive Budget were set to phase out at 75% and 50% and 25% each year based on the amount generated in the last year of eligibility. This bill changes the phase out period to 100%, 75%, 50% and 25% each year. The Executive Budget contains \$324,008 to cover the cost for the 2013-15 biennium. The changes in this bill increase that cost to \$453,611 for an increase of \$129,603.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Executive Budget contains \$324,008 for the transition payments (identifiable within the K-12 funding proposal). \$129,603 will be needed to fund the revised expenditure requirements.

Name: Jerry Coleman
Agency: Public Instruction
Telephone: 328-4051
Date Prepared: 03/21/2013

Date: 2-13-13Roll Call Vote # 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 22 124Senate Appropriations Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do passMotion Made By Erbele Seconded By Mather

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mather	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	A		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓	✓	Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓	✓			
Senator Gary Lee	✓				

Total (Yes) 10 No 2Absent 1Floor Assignment Back to Education committee
Heckman

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

REPORT OF STANDING COMMITTEE

SB 2214: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (10 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2214 was placed on the Eleventh order on the calendar.

2013 HOUSE EDUCATION

SB 2214

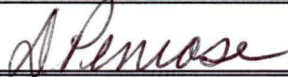
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2214
March 11, 2013
19707

☐ Conference Committee

Committee Clerk Signature



Minutes:

Ch. Nathe: We will call the hearing on SB 2214 to order.

Sen. Joan Heckaman: Sponsor, support (see attached #1).

Ch. Nathe: Do you know the eight school districts that we are talking about.

Sen. Joan Heckaman: Someone else will provide that information.

Rep. Meier: Out of those eight school districts, are you aware if there are any attempts at consolidation in the works now?

Sen. Joan Heckaman: I'm not. I don't know that any of them have considered consolidation. I know in one of the schools, the voters do not want to consolidate. They're concerned about going further and putting kids on the bus for longer periods of time.

Rep. B. Koppelman: Do you know, of the schools that you mentioned that the voters don't want to consolidate because of their size, are they currently at the mill levy cap set by the state and if so, have they asked for their voters to approve excess property tax authority to help fund that small school that may otherwise be led toward consolidation by current statutes.

Sen. Joan Heckaman: I'm not aware of that. Two of the schools are here today and you may hear from them on that. I know one of the questions that came up before was, do they have adequate funding to continue. Adequate funding, when you do a budget is everything that you receive for the year, whether it's from the state and the small isolated school payment, the regular payment, their mill levies, but this has to do with the size of the districts. The eight schools are as follows: Bowman County, Wing, Twin Buttes, Robinson, Zeeland, Welford, Mohall/Lansford/Sherwood, and Kensal. Now there's a couple in here that I'm not sure why they are on there. I'm concerned about the problems that these children will have in travelling extra miles if consolidate further.

Rep. J. Kelsh: How many of these are just grade schools, 1-6 or 1-8. Is it because they are trying to keep the younger children from being on the bus a lot longer, and the high school kids are already going someplace else.

Sen. Joan Heckaman: A couple of them are rural elementary schools and they tuition their high school students someplace else for school. Kensal, Wolford, Zeeland, Lansford/Sherwood/Mohall, Wing, and Bowman County maintain high schools.

Rep. Heller: How many kids are in this school? What makes them get into this category, what is their enrollment?

Sen. Joan Heckaman: Enrollment is under 100 students. Originally when this was put into the law, they had to have a land size of less than 250 sq. miles. These schools were absorbed into that, but their land size is more than 250 sq. miles so they are falling off of that right now. Some of the other schools that are staying on, I'm not sure why they are still on there, but I think there is someone who will discuss that today.

Rep. Heller: On the fiscal note, it talks about the executive budget. When you talk about the executive budget, are you talking about the numbers that are in HB 1319, those transition payments, etc. that goes with that bill.

Sen. Joan Heckaman: I understand from DPI, that the money is available in the DPI budget to make this payment. They've anticipated making this payment because the bill originally would have dropped those payments down 25% this year. I think that they are in there.

Ch. Nathe: Thank you. Testimony in support.

Larry Zavada, Superintendent, Wolford Public Schools: Support (see attached #2 and #3, which is written testimony of Robert Tollefson).

Ch. Nathe: I know your ADM in 2011 was 42.7, what is your ADM this current school year.

Larry Zavada: Right now we are at 42 students.

Rep. Meier: Out of those 42 students, how many students do you have from K-6?

Larry Zavada: We have 28.

Rep. Hunsakor: In my years of administration in school, I found many students took as few courses as possible. You talked about your school course offerings and the excitement of the kids. How many courses do your students take, do you have them 6 or 7.

Larry Zavada: Right now our school policy is on an 8 period day. You must have at least 6.5 credits. But we have students taking more than that. I really believe that if we do get the online activities going in the summer, we will have students that graduate with 30 credits.

Rep. Hunsakor: Talking about on-line courses, I remember in my day we had correspondence courses. If I could get into one of those, I didn't have to do anything. How do the students function on line, is there a teacher in the room working with them as questions come up; the interaction between the teacher and the students working on-line.

Larry Zavada: First of all, our students are never in a classroom by themselves. Students also have access to their teachers and some of their teachers, at the Center for Distance Ed. will not accept e-mails that are not written in complete sentences. It is a high level of accountability. This curriculum is rigorous. There is no slacking off. I looked at a final exam this year in one of the business classes; there were 10 True/False, 10 matching, 10 multiple choice, 12 short answers and 7 full length essay questions. That was the mid-term for Marketing. It was very comprehensive, high level of student accountability.

Rep. Heller: On the last page of your handout is a list of those schools that were just added to the isolated payments. What are the numbers listed after each school; is that the ADM for the schools.

Larry Zavada: That is the district number.

Rep. Meier: Do you have any students from your district that enroll into another school district currently.

Larry Zavada: Right now, we do not. We have two students open-enrolled from the North Star district, which is Cando. We have six open-enrolled into Wolford from the Rolette district. Open enrollment has been a great boon for Wolford. In many years, 25% of our enrollment has been open-enrolled from other districts. Traditionally we have lost maybe 1 student a year, not even every year to other districts.

Rep. B. Koppelman: I don't think the education system, the way we fund it in ND, any part of it, whether it's this bill or 1319 or what we are currently using, none of them pay districts based on how good a job they do. As sympathetic as I would be to this bill, I think it's a little bit of a hurdle for us to cross. How can we fund this bill on the basis of merit, and fund everything else on the basis of number.

Larry Zavada: I'm not asking for any more money, I'm asking that the Wolford Public School be allowed to keep what we are currently getting.

Rep. Heller: On the 2nd to the last page where you listed the schools that are in the process of being eliminated from that payment. Why does Bowman County and Mohall/Lansford qualify because they have high ADM and their sq. miles are appropriate?

Larry Zavada: For Mohall/Lansford/Sherwood, it is their elementary district that is in Sherwood. For Bowman County I believe that they would now be taken off because of being over 100 students. Right now, you have to have 250 sq. miles in your district and less than 100 students.

Rep. Schatz: Do you teach yourself.

Larry Zavada: I teach an Archery class once a month, sub. a fair amount, I don't have daily teaching duties assigned.

Rep. Schatz: So you're a FT superintendent, is that correct.

Larry Zavada: No, I am retired.

Ch. Nathe: Your title is superintendent of Wolford.

Larry Zavada: Yes, but I'm not FT, I'm PT.

Rep. Schatz: You have 10 staff and 42 students.

Larry Zavada: Yes.

Rep. Rust: What's the nearest high school to you, how many miles?

Larry Zavada: We are 18 miles from Rolette, 25 miles from Rugby, 24 miles from Cando, 31 miles from Rolla, 31 miles to Leeds. We're not in a situation where you don't have a choice of where to go.

Rep. Rohr: Your results of page 3 are pretty impressive. Have you ever taken it one step further, in terms of the students that enter the college or university setting if they've had to do any remedial courses?

Larry Zavada: I have not, but we have had a tremendous amount of post K-12 success by our students. Many have excelled. I was in Herberger's last night in Minot, and I heard someone yell, "Mr. Z." and here was a former student, he's now 23 years old, he runs a chemistry lab in Williston for Baker Hughes. There are numerous stories like that from our past students.

Ch. Nathe: As far as your enrollment going forward, do you project that your numbers will stay in the low-40s.

Larry Zavada: We will probably remain about the same as we are now.

Rep. B. Koppelman: In your district, for your property tax mill levy, the current state mill levy is a maximum of 110 mills unless you have gotten excess mill levy authority from your taxpayers. What's your general fund mill levy in total today?

Larry Zavada: Our general fund levy is 108.96. We also have a vote of the people for an extra 25 mills. We have had to use it some years, but we have not used it this year because we went up almost 10% and our district has been so supportive of our school and everyone knows what an issue property tax reform is right now. We could not go any higher with a clear conscience right now. We will see what happens next year. When you talk about support, in 2008 we had to change the way we heat our school, because fuel oil was killing us. We put in a new boiler; the total bid for that electric boiler was \$56,000. We had members of our community donate \$28,000.

Ch. Nathe: Thank you. Further testimony in support.

Tom Tracy, Superintendent of Kensal Public School: Support. It's another school on the list. When you come down to it, why are Larry and I here, asking for this. We have, by far and away, the highest taxable valuation per student in ND. We have the highest cost per student in ND. This is my 22nd year as a superintendent at Kensal. I am also PT. I have been fortunate in that I have worked with a tiny number of school board members during that period of time, and we are very conservative. When we have the opportunity to save money, we do it. We were not totally unaware of the facts I mentioned earlier. We have a high taxable valuation and high cost per student. Our teachers' salaries are in the bottom 1/3. Administrative salaries are in the bottom 1/3 of ND. I think that if I have accomplished anything in Kensal, I have developed a consensus that we are fortunate to be where we're at; we all, teachers, administrators, board members, and parents need to work together to maintain that conservative philosophy as much as we can. I think overall we have been successful and the statistics will support that. We've had kids in our school that have come from Jamestown and Carrington, that could not make it in a larger school setting; they did quite well at Kensal; they're able to graduate and go on to college. We've had several very talented kids. We have a very high percentage of kids on free and reduced meals like most small rural schools do. What does that tell you; that tells you that a lot of people moving into the small rural communities that are either on the poverty level or awfully close to it? Those students tend to need extra help. When you have a teacher/student ratio of 1 to 4, 5 or 6, you can provide that extra help. Is that too expensive. That's kind of hard to say. I have a comparison that might be relative to what I am saying. A couple of years ago, I was asked to be on the Road Committee, and one of the problems in Stutsman County, like it was in many counties, you have so many miles of roads and you have a smaller population; you don't have as many people. Do you need all those roads? We went round and round and eventually came back to where we had started; yes, we were going to maintain a lot of those roads. Some of the roads that probably should have been closed because of the fact that there were very few people that used those roads. It would have made sense to close them but they weren't closed. Now, with the extra money that is available throughout the state of ND, for road repair, it's even more so that way, the roads that probably should be closed. But they are going to remain open, because that's a way of life in the rural area. You don't want to drive 10-15 miles out of your way, when you can drive 5 miles or less to get to town. Even though there are few people that are going to benefit from that, county commissioners approved this line of thinking. That's the best parallel that I can

come up with for the small schools. How small is too small. We only have 35 kids in our school in K-12. The first year I was there, we had 103. We've gradually gone down. Every single school around us has gone down at about the same percentage I'd say. It's not just that we're small; it's also true that all of the schools are small. The demographics, you just have to look at them, they are going down, there are fewer kids, not just in our school. How small is too small. If you would take 100 small schools in ND, force them to consolidate or close, there is absolutely no question that the state of ND would save a tremendous amount of money; take the next 50 and you'd save some more; take 200 and you would save some more. Eventually you might have to do some adjusting but in the long run, you would save a lot of money. It is a whole way of life that would matter, rural vs. urban. Is it a complete different way of life that would be eliminated if we do that. I think the consensus may be that this is happening in a gradual way in ND. We have local control. We have more government in ND than we do any place in the United States. Local school boards are making these decisions. Schools have consolidated, will continue to consolidate. If we lose the funding and we create a situation where this process speeds up, then maybe that's not a good thing. I'm a fiscal conservative in a lot of areas outside of my job. I have to do the best I can at my job. I fight for my school and I do the best I can and we're still open. I remember when the stimulus money came in; I remember ND got \$600 million in stimulus money. That was at the beginning of the financial crisis in 2008, and the stimulus money went out; ND had the option to take \$600 million in stimulus money. They didn't have to take it; did it add to the federal debt. Did that add to the federal debt, probably did. But they took it. When you talk about funding and how much money it's going to cost to maintain the small schools, the amount of money that we are going to get, if we're allowed to maintain our small but necessary school status, is not a large amount of money. It's actually a very small amount when you compare it to the total expenditure for public education. It's money that my school needs to keep going. Have we talked about consolidating with other schools, we have. We have talked about it, and we've talked about it before. As Larry said, the travel part does enter in; when you have to bus Kindergarten kids a long, long distance, it does get to be a problem. It is something that the legislature is going to deal with. I try to be realistic about this. If we didn't have all the oil money, if ND didn't get the stimulus money, would our schools be open right now, I don't know. We do have the extra money and it's your job to decide how it's going to be spent but our school, I feel is important. We've done some things as far as trying to help kids over the years, and I would encourage you to pass SB 2214.

Rep. Meier: Do you have a consolidation plan in place.

Tom Tracy: No, we do not at this time.

Rep. Rust: How close is your nearest high school?

Tom Tracy: We are 24 miles from Carrington, 18 miles from Glenfield, 18 miles from Wimbledon, 31 miles from Jamestown, 24 miles from Buchanan, and 18 miles from Pinkerton.

Ch. Nathe: Thank you. Further testimony in support. Testimony in opposition. I would like Jerry Coleman to come and answer some questions.

Jerry Coleman, DPI: This bill is necessary to continue the promise that was made last biennium, when they changed the formula for isolated schools. So this would be the carrier for language for that. Last session it was in the school funding bill, so it was in session law. Without this bill, we wouldn't have language to continue the promise that was made to the former school districts that were qualified previously that had lost that eligibility. They were given 5 years of continued payments. It was 2 years at 100%, then 75%, 50% and 25%. This bill extends that for one year. The funding for this was built into the executive recommendations, all except for last year and the fiscal note explains that. I think the note has an additional cost for this that's not contained in the executive budget is the \$129,603.

Rep. B. Koppelman: I understand what you're saying as far as this would need to continue for that, to honor that. HB 1319 that passed the House in the form we passed it out of the committee, there are a lot of things that would change that people were expecting to go forward from two years ago, and we also had about a \$17 million amendment that reduced schools size for any school districts under 185 kids, all the way down to 100 or 125, so districts that were smaller than 185 got a higher weighting than they would have otherwise gotten. That's something that was added onto the governor's proposal to help smaller schools. So in a way you're adding one item to the governor's proposal and if this wasn't to pass, you'd be taking away something else. How do those things pan out?

Jerry Coleman: HB 1319 was amended to extend the weighting factor schedule. That was designed to help smaller schools, but the funding formula is driven by kids. These particular schools would see an increase in their weighting factors by 10%, but when it's only on 40 students, it doesn't amount to be a tremendous amount of money, it's not a savior for these really small schools.

Rep. B. Koppelman: In HB 1319, where we had the provision where nobody could lose more than 2% of their funding in a given year. Would these dollars that they are receiving not be calculated into that dollar amount as far as what they were getting last year, less 2%?

Jerry Coleman: They would not unless you specifically had an amendment to include them into their "hold harmless" baseline. Currently, it is only their state formula money and these isolated payments that were given to them during this current biennium are outside of that.

Ch. Nathe: Thank you. We will close the hearing.

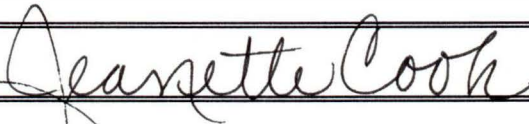
2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2214
03-26-13
Job # 20471

☐ Conference Committee

Committee Clerk Signature



Minutes:

Chairman Nathe SB 2214 back before the committee

Representative Hunkskor provided information the committee what has happened in the past. See attachment #1. The amendment was explained. See attachment #2.

Representative Hunkskor: The cost per year to the eight schools:

First two years:	\$259,000
75% year:	\$194,000
50% year:	\$129,000
25% year:	\$ 64,000

Representative Kelsh: Why the two years?

Representative Hunkskor: You have heard the testimony about the good schools these are, and that they have gone the extra mile to provide quality education for their kids even though they know their funding is getting phased out. The eight schools are saying that at the time they created the isolated schools category, they felt they were small, rural, isolated schools. Two years ago through legislation they were wiped out of that situation because that bill stated that they must have over 275 square miles and less than 100 kids in school. So, they fell out of what they were promised at one time. They are asking now to have what they were promised, the time and money, to adjust their schools and communities for the inevitable. They know they will be phased out.

Representative Hunkskor moved DO PASS on the amendments for SB 2214.

Representative Kelsh seconded the motion.

Representative Meier: Jerry, have any of these districts worked on a consolidation plan with DPI yet, and if so which ones?

Jerry Coleman, DPI: Of the eight districts two of them two have reorganized. One is Bowman County; the other is Mohall/Lansford/Sherwood. They operate multiple sites. They became ineligible because they have over 100 students. The others have not initiated a formal process. They may have been discussing it informally in their area.

Representative Hunkskor: Mohall/Lansford/Sherwood or Bowman County why did they fall into this category? I know Sherwood has a grade school, grades 1-8.

Jerry Coleman, DPI: Bowman County reorganized. The two school districts were Rhame and Bowman, and they became Bowman County. They maintain an elementary school in Rhame, which was eligible under the old criteria. Mohall/Lansford/Sherwood, those three districts became one school district, and they still operate a site in Sherwood.

Representative Wall: Do we know what the taxation levy is in any of these eight schools?

Jerry Coleman: Kensal's general fund levy is 110; total 120. Bowman levy at 91; total 101. Mohall/Lansford/Sherwood levy 90; 108 total. Twin Buttes (K-8) no levies, a Reservation District. Wolford levy 109; 134 total. Zeeland levy 90; 91 total. Robinson levy 72; total 72. Wing levy 82, 89 total.

Representative Heller: Why is there a number and a separate total number?

Jerry Coleman: They have multiple levies. The major one is the general operation fund; that was the first number I gave you. The additional may be mills levied for building projects.

Representative Heller: What moved these isolated schools out of the isolated school category?

Representative Hunkskor: Two things, ADM less than 100 and the need to have greater than 275 square miles.

Representative Kelsh: I understand the dedication of the teachers, and the need for some of these schools. But with the fact that for TFFR there will be no increase in 40 years for teachers when they retire, I really hate the fact that those people are not paying Social Security. They will be very sorry they retire. I know that they can't pay it, but to put a teacher through that, and then expect them to retire with any dignity is an impossibility.

Representative Rust: When I was the Superintendent at Regent the staff members were not covered under the Social Security Law. I understand that was done by a vote of the faculty. The federal law stated that if you were covered by a retirement system, you didn't have to become a member of the federal Social Security. I don't know if the laws have changed. Being employed by that system I became more concerned as I started a family because there are multiple parts to the Social Security Law. One is Social Security itself, another is the disability, and the other is survivors' benefits. I worried about my family. I also question why the mills are low on two of the schools. We expect that schools levy 110 mills to contribute for education in their communities. I would feel more comfortable extending the benefits if they were all at the maximum levy, but they are not.

Chairman Nathe: The executive budget had \$324,000 in the fiscal note.

Representative Hunkskor: In the Wolford School and in others one of the teachers is the Superintendent's wife and others are farmers' wives. They do need Social Security for the

future, but that is how the schools are trying to get by and save money. The wives are taken care of by their husbands, and it may not be as big an issue as it is to someone who doesn't have a second income.

Representative Rust: I don't think that it is a little school trying to save money. I still believe it is a vote of the faculty. I don't want to have the local school board being blamed for something. They may be a part of the decision making process, but not the decider.

Representative Hunkskor: I am not indicating that the board is responsible, but the end result is that it does save the school money.

Representative Kelsh: I think that either the wages are so low that the teachers say let's not lose any more money, or the school board has encouraged them to vote that way. I would bet that is true. When you are teaching, there is a pretty good portion that comes out of your check that is Social Security and TFFR. I still think for us to perpetuate them not taking out Social Security is wrong.

Representative Wall: Do we have firm figure as to what this does to the fiscal note?

Jerry Coleman: The executive budget has \$324,000 in the K-12 funding bill. This amendment as proposed adds additional cost of \$194,400 for the 13-15 biennium. Then the phase-out occurs in subsequent biennia. As it was previously before the amendment it would cost an additional \$129,600.

There was no further discussion on the amendment.

A voice vote was taken on the amendments. The motion carried.

Representative Heller moved a DO PASS as amended and rereferred to Appropriations on SB 2214.

Representative Rohr seconded the motion.

A roll call vote was taken on SB 2214. Aye 12 Nay 0 Absent 1

The motion carried.

Representative Hunkskor will carry SB 2214.

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Revised
Bill/Resolution No.: SB 2214

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$453,611		\$194,405	
Appropriations			\$324,008		\$64,802	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2214 provides transition payments for isolated school districts that became ineligible for the isolated school district factor as a result of changes made last biennium.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The transition payments provided for in the Executive Budget were set to phase out at 75% and 50% and 25% each year based on the amount generated in the last year of eligibility. This bill changes the phase out period to 100%, 75%, 50% and 25% each year. The Executive Budget contains \$324,008 to cover the cost for the 2013-15 biennium. The changes in this bill increase that cost to \$453,611 for an increase of \$129,603.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Executive Budget contains \$324,008 for the transition payments (identifiable within the K-12 funding proposal). \$129,603 will be needed to fund the revised expenditure requirements.

Name: Jerry Coleman
Agency: Public Instruction
Telephone: 328-4051
Date Prepared: 03/21/2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2214

Page 1, line 14, remove "seventy-five percent of"

Page 1, line 17, replace "fifty" with "seventy-five"

Page 1, line 19, remove "and"

Page 1, line 20, replace "twenty-five" with "fifty"

Page 1, line 22, after "2011" insert "; and

5. For the 2017-18 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011"

Renumber accordingly

Date: 3/26/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____

House EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Amended ☐ Rerefer to Appropriations
☐ Do Not Pass ☒ Adopt Amendment

Motion Made By Hunskor Seconded By Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe			Rep. Bob Hunskor		
Rep. Mike Schatz			Rep. Jerry Kelsh		
Rep. Joe Heilman			Rep. Corey Mock		
Rep. Brenda Heller					
Rep. Dennis Johnson					
Rep. Ben Koppelman					
Rep. Lisa Meier					
Rep. Karen Rohr					
Rep. David Rust					
Rep. John Wall					

TOTAL (YES) X (NO) _____ (ABSENT) _____

FLOOR ASSIGNMENT _____

If the vote is on an amendment, briefly indicate intent

Motion Passed.

Date: 3/26

Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2214

House EDUCATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☒ Amended ☒ Rerefer to Appropriations
☐ Do Not Pass ☐ Adopt Amendment

Motion Made By Heller Seconded By Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunskor	✓	
Rep. Mike Schatz			Rep. Jerry Kelsh	✓	
Rep. Joe Heilman	✓		Rep. Corey Mock	✓	
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman	✓				
Rep. Lisa Meier	✓				
Rep. Karen Rohr	✓				
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL (YES) 12 (NO) 0 (ABSENT) 1

FLOOR ASSIGNMENT Hunk

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

REPORT OF STANDING COMMITTEE

SB 2214: Education Committee (Rep. Nathe, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2214 was placed on the Sixth order on the calendar.

Page 1, line 14, remove "seventy-five percent of"

Page 1, line 17, replace "fifty" with "seventy-five"

Page 1, line 19, remove "and"

Page 1, line 20, replace "twenty-five" with "fifty"

Page 1, line 22, after "2011" insert "; and

5. For the 2017-18 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011"

Renumber accordingly

2013 HOUSE APPROPRIATIONS

SB 2214


2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2214
4/2/13
Job 20768

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 15.1-27 of the North Dakota Century Code, relating to transition payments for isolated school districts; to provide an effective date; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer called the committee to order and a quorum was declared. We'll start with SB 2214.

Rep. Mike Nathe, District 30: Introduced the bill, beginning minute 3:15.

5:00

Chairman Delzer: Why do you want to stretch it out another year?

Rep. Nathe: It was to give them more time to transition with declining enrollment, perhaps reorganize or consolidate.

Chairman Delzer: They got some payments during the current biennium?

Rep. Nathe: Yes. In the governor's budget, there was \$324,000 for the transition payments; there is another \$129,000 as the bill was originally written on top of that. I do not know how much it will cost to go the extra year, we did not have that.

Chairman Delzer: The latest Fiscal Note of 3/27 says the changes in the bill increase the cost to \$518,413, an increase of \$194,405.

Rep. Nathe: So that would be about another \$70,000 above what the bill was when we received it from the Senate.

Chairman Delzer: There is no money in the bill. If we passed the bill, we would need to add the money to HB 1319, or they have to take it out of their existing budgets. What kind of percentages did they get this year?

Rep. Nathe: The percentages that they received are 25% less starting in school year 13-14; transition payments would be terminated in June 2016.

Chairman Delzer: Did they the 75% and 50% during this biennium? Or only one year?

Rep. Nathe: I believe it is one year.

Chairman Delzer: They got a 75% payment; they'll get a 100% payment; then a 50%?

Rep. Nathe: For the bill before you, it would be the same payment for two years, then it would go to 75, 50, and 25.

08:05

Chairman Delzer: The longer you stretch it out, the longer it will take them to do something. If they consolidate, they would lose this payment, correct?

Rep. Nathe: Yes. It was an amendment the committee put on because we felt it would buy them some more time to make a decision about what they want to do down the road.

Chairman Delzer: There are eight left, and there were ten, two of them consolidated. Are you doing anything for the two that consolidated?

Rep. Nathe: No, the two that consolidated are ineligible, they are over 100 students.

Chairman Delzer: This seems backward to me, we should pay them after they consolidate.

Rep. Nathe: That would be up to you.

Rep. Dosch: On those eight schools, do you know how many students are in each?

Rep. Nathe: Yes. The ADM for Hannaford is 42, Wing is 100, Twin Buttes 41, Robinson 7, Zeeland 51, Kensal is 42.

Chairman Delzer: Further questions? I don't have any problem doing something for them, but did you have any discussion about if this was a backwards incentive?

Rep. Nathe: No, we did not.

Chairman Delzer: The governor had enough to do what was passed last year, but not enough to do anything other. Further questions by the committee? Seeing none, we'll continue to the next bill.

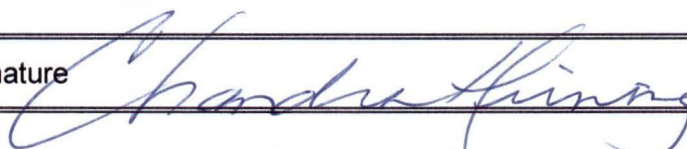
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2214
April 5, 2013
Job 20939

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 15.1-27 of the North Dakota Century Code, relating to transition payments for isolated school districts; to provide an effective date; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: This is the isolated school districts.

Rep. Nelson: I don't have any amendments in writing. In the House education committee, they amended another year of 100% payments to the existing bill. I would like to change this back to the original version, .01000, before House amendments. I am making that as a **motion**.

Rep. Brandenburg **seconded**.

1:55 **Chairman Delzer:** What they're doing is adding one more year...

2:17 **Rep. Nelson:** With this version of the bill they are delaying implementation of the bill by one year. Beginning in the 2013-2014 school year, they would get a 100% payment. The following year, they'd get 75%. The following year, they'd get 50%. The following year, they get 25%.

Chairman Delzer: Do we have a copy of the original fiscal note? Is there a difference?

3:00 **Unidentified speaker:** Summarized the amounts on the fiscal note.

Chairman Delzer: So why would the expenditures and the appropriations be different?

Unidentified speaker: Would it be different phases of different schools on the 75, 50, and 25?

Chairman Delzer: Do both of the fiscal notes say the budget has the \$324,000 in it? We may have issues on the floor of reversing what the policy committee did.

Rep. Nelson: I did visit with the sponsor of the House amendment, and he is amenable to this motion and this amendment. I talked with the chairman of the committee, and he was the same way.

Voice vote on adoption of amended. **Motion carried.**

5:04 Rep. Nelson moved a **Do Pass as Amended**; seconded by Rep. Brandenburg.

5:20 Rep. **Monson:** Why are we doing this at all? We set up a formula and a plan. We're going back and changing that again.

5:34 **Chairman Delzer:** Does the change in the formula make a difference in what these particular schools will be facing compared to what they were facing two years ago when this was originally put in? This simply stretches it out one year. It would still be done in that same formula as before. They would do what was passed last time. It hasn't started yet, but we're stretching it out one year. By defeating this, we would not necessarily stop the process unless we changed the bill to stop the process.

6:50 **Rep. Skarphol:** By changing the policy and extending the date, we are actually rewarding those who are not doing what we want them to do, which is consolidate and become more efficient. I think that is a more important aspect of this.

7:13 **Chairman Delzer:** The problem when we had testimony is that two of them had already consolidated. Because they've consolidated, they will not receive any of this money. The ones that have not consolidated will.

7:40 **Rep. Brandenburg:** They have problems they are trying to work through. Some schools are too far away to consolidate with anyone else.

8:09 **Rep. Nelson:** This extra year may not make much of difference, but it may make a difference in some isolated cases. There are changes taking place across the landscape. Every time you draw an arbitrary line of so many students or so many miles, there are schools on both sides of the line. We are talking a handful of school districts affected.

We've argued for years about elementary districts, but we don't do anything with that. They do not have to be attached to a high school district. In most cases, these are K-12 districts that know where they are headed. This gives them another year to prepare. Maybe a handful of families move in, and they meet the threshold and begin to grow again. They are looking for hope, and one year may provide that. We are taking that hope away if we do not pass this bill.

9:54 **Rep. Monson:** Is this the one where they draw a circle around the school, so many miles in diameter. If they have so many students outside that diameter, they qualify for this?

10:12 **Rep. Nelson:** This plan was developed two years ago, and I believe it is 275 square miles, and the student number is 100. If they don't meet those arbitrary numbers,

they don't deserve to exist. I don't think it was a scientific effort. They are saying they understand it and are willing to live with it, but they are asking for one more year.

Chairman Delzer: Does this change the timeframe for consolidation? Or does this just change the payments?

Allen Knudson: I'm not sure of that. I'd have to check.

Rep. Nelson: It squeezes them until they can't exist. It just changes the money as I understand it.

Chairman Delzer: The bill was put in for four years last time that they have to actually consolidate, or is it to take money away from them until they do?

12:14 **Rep. Brandenburg:** As I see this, there are some schools out there that the time is coming for them to consolidate or to close or whatever it may be. But when we look at a \$1.8 billion budget for education, and a few hundred thousand dollars helps out a few schools here and there, it changes their funding and extends it out a year. You take 25% of that, for a small school that is big money. If you take a couple hundred thousand away from their budget, it is going to bust them. You are forcing them into consolidation by pushing this along. When you are changing the mills and more of it is state funding...

Roll call vote on motion for Do Pass as Amended. Motion carries.

Yes = 13

No = 9

Absent = 1

Carrier: Rep. Nelson

FISCAL NOTE
Requested by Legislative Council
03/27/2013

Revised
Amendment to: SB 2214

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$518,413		\$324,008	
Appropriations			\$324,008		\$64,802	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2214 provides transition payments for isolated school districts that became ineligible for the isolated school district factor as a result of changes made last biennium.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The transition payments provided for in the Executive Budget were set to phase out at 75% and 50% and 25% each year based on the amount generated in the last year of eligibility. This bill changes the phase out period to 100%, 100%, 75%, 50% and 25% each year. The Executive Budget contains \$324,008 to cover the cost for the 2013-15 biennium. The changes in this bill increase that cost to \$518,413 for an increase of \$194,405.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Executive Budget contains \$324,008 for the transition payments (identifiable within the K-12 funding proposal). \$194,405 will be needed to fund the revised expenditure requirements.

Name: Jerry Coleman
Agency: Public Instruction
Telephone: 328-4051
Date Prepared: 04/01/2013

FISCAL NOTE
Requested by Legislative Council
01/17/2013

Revised
 Bill/Resolution No.: SB 2214

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$453,611		\$194,405	
Appropriations			\$324,008		\$64,802	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2214 provides transition payments for isolated school districts that became ineligible for the isolated school district factor as a result of changes made last biennium.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The transition payments provided for in the Executive Budget were set to phase out at 75% and 50% and 25% each year based on the amount generated in the last year of eligibility. This bill changes the phase out period to 100%, 75%, 50% and 25% each year. The Executive Budget contains \$324,008 to cover the cost for the 2013-15 biennium. The changes in this bill increase that cost to \$453,611 for an increase of \$129,603.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Executive Budget contains \$324,008 for the transition payments (identifiable within the K-12 funding proposal). \$129,603 will be needed to fund the revised expenditure requirements.

Name: Jerry Coleman
Agency: Public Instruction
Telephone: 328-4051
Date Prepared: 03/21/2013

4/5/2013
C. J. ...

PROPOSED AMENDMENTS TO SENATE BILL NO. 2214

In lieu of the amendments adopted by the House as printed on page 1089 of the House Journal, Senate Bill No. 2214 is amended as follows:

Page 1, line 8, after "year" insert an underscored comma

Renumber accordingly

Date: 4/5/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2214

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .01004

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Nelson Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

change to version .01000

1 year instead of 2 years

Voice vote carries

Date: 4/5/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2214

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Nelson Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle		X
Vice Chairman Kempenich	X		Rep. Thoreson		X
Rep. Bellew		X	Rep. Wieland		X
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande		X	Rep. Boe		
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson		X	Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol		X			

Total Yes 13 No 8

Absent 1

Floor Assignment Rep. Nelson

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

REPORT OF STANDING COMMITTEE

SB 2214, as amended: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 8 NAYS, 1 ABSENT AND NOT VOTING). SB 2214, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page 1089 of the House Journal, Senate Bill No. 2214 is amended as follows:

Page 1, line 8, after "year" insert an underscored comma

Renumber accordingly

2013 TESTIMONY

SB 2214

SB 2214



Chairman Flakoll and Members of the Senate Education Committee:

I am Senator Joan Heckaman and I represent District 23.

I am here today to introduce SB 2214. This bill would provide payments to small isolated schools. As you will hear from those that follow, this is an issue that keeps surfacing each session. In conversation with administrators from these schools, it would be in the best interest of the education of their students and the stability of their budgeting process to make this permanent.

So as the bill is being introduced, I will also present an amendment I hope you consider immediately as you consider this bill.

I will defer to the other presenters because I'm not sure I could answer any of your questions.

2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2214

Page 1, line 2, replace "transition" with "alternative"

Page 1, line 7, replace "**Transition**" with "**Alternative**"

Page 1, line 11, remove "the following transition payments:"

Page 1, line 12, remove "1." and remove "For the 2013-14 school year."

Page 1, line 13, remove the semicolon

Page 1, remove lines 14 through 21

Page 1, line 22, remove "June 30, 2011"

Renumber accordingly

#3

Heckaman, Joan M.

From: Kelly Ekren <kdekren@daktel.com>
: Sunday, February 03, 2013 4:40 PM
Heckaman, Joan M.
Subject: Senate Bill 2214

Senator Heckaman;

We are parents of a child that attends **Kensal Public School** and we ask that you please vote **IN FAVOR of Senate Bill 2214**. Thank you.

Kelly and Dana Ekren Kensal, ND

#4

Mohall Lansford Sherwood Schools is in support of this bill to maintain our current status of an isolated school in Sherwood. Our K-6 funding helps maintain our current staffing there and if not would result in young children traveling an additional 20 miles by bus adding many minutes of extra time daily. I encourage your continued support. Thank you.

Kelly Taylor, Superintendent

Heckaman, Joan M.

#5

From: Corbley Ogren <Corbley.Ogren@sendit.nodak.edu>
To: Friday, February 01, 2013 9:28 AM
Heckaman, Joan M.

I cannot make the meeting on Monday due to a prior commitment. I support your effort to get this passed.

Corbley J. Ogren
Zeeland Public School

SB 2150 Section 3,
Isolated School Adjustment
School Year 2011-12

#6

Transition percentage			100%	100%	75%	50%	25%	
Districts formerly eligible		ADM	Sq Miles	2011-12	2012-13	2013-14	2014-15	2015-16
06-001	Bowman County 1	408.19	1,047.75	23,874.83	23,874.83	17,906.12	11,937.42	5,968.71
08-028	Wing 28	100.08	407.75	29,121.85	29,121.85	21,841.39	14,560.93	7,280.46
13-037	Twin Buttes 37	41.27	102.00	37,601.05	37,601.05	28,200.79	18,800.53	9,400.26
22-014	Robinson 14	7.00	251.00	15,734.93	15,734.93	11,801.20	7,867.47	3,933.73
26-004	Zeeland 4	51.00	155.80	21,783.59	21,783.59	16,337.69	10,891.80	5,445.90
35-001	Wolford 1	42.70	195.50	66,359.24	66,359.24	49,769.43	33,179.62	16,589.81
38-001	Mohall-Lansford-Sherwood 1	329.19	814.00	36,448.09	36,448.09	27,336.07	18,224.05	9,112.02
47-019	Kensal 19	41.92	169.50	28,282.78	28,282.78	21,212.09	14,141.39	7,070.70
Total		1,021.35	3,143.30	259,206.36	259,206.36	194,404.78	129,603.21	64,801.59

To be eligible for the isolated school district factor, the district must have fewer than 100 student ADM and a district area greater than 275 square miles. Districts that were formally eligible that are no longer eligible for the isolated school district factor receive transition grants.

SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:

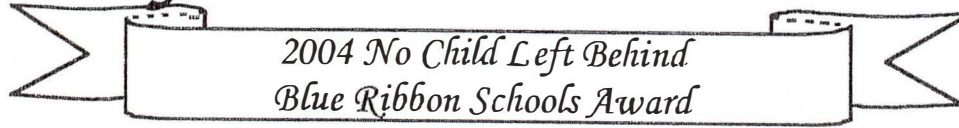
- For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
- For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
- For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
- For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011

2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.



Wolford Public School

#17



401 3rd Ave. SW, Box 478
Superintendent, Larry Zavada

Wolford, ND 58385
Larry.Zavada@sendit.nodak.edu

Phone (701) 583-2387
Fax (701) 583-2519

Dear Chairman Flakoll and Members of the Senate Education Committee
(Senators Schaible, Heckaman, Luick, Marcellais, and Poolman):

I am Larry Zavada, Superintendent of the Wolford Public School.

I will not be asking for additional funding as compared to 2012-13, only that our student payments remain the same rather than decrease.

I stand before you today seeking your support of SB 2214. I believe that regardless of the location and vocation of a child's parents, every North Dakota child deserves the maximum educational opportunity possible. Passage of this bill will help students of the Wolford Public School receive this opportunity. If this bill does not pass, the WPS will be hindered significantly in its efforts to do all that could be done for its students. As legislation currently stands for Isolated Schools' Payments, the Wolford Public School is scheduled to receive the following reductions in comparison to 2012-13:

- a. 2013-14: \$16,589.82 (5.9% reduction in student aid)
- b. 2014-15: \$33,179.62 (11.8% reduction in student aid)
- c. 2015-16: \$49,769.43 (17.7% reduction in student aid)
- d. 2016-17: \$66,359.24 (23.6% reduction in student aid)

The above-mentioned reductions are based on 2012-13 Foundation Aid and Isolated Schools' Payments and revenue cuts in accordance with current legislation.

These projected cuts present severe negative consequences for our school and will severely limit student opportunities. Our hope of having our Isolated Schools'

The Wolford Public School District does not discriminate on the basis of race, color, national origin, sex, or handicap in its employment policies or practices.

Payments set at the 2012-13 level will allow us to do the following in addition to the daily operation of the school:

- a. continue to offer a variety of online classes through NDCDE (This year every student in grades 7-12 is taking at least 2 online classes. The district spent \$11,000.00 on these student opportunities this school year.)
- b. For 2013-14 we will offer our grade 7-12 students a choice of 59 electives through NDCDE (see att.).
- c. For 2013-14, and through the efforts of DPI and CTE, we will offer our grade 9-12 students a choice of 21 Agriculture electives (see att.).

Thank you for the opportunity to appear before this committee and for considering my request to support SB 2214 which would continue Wolford's Isolated Schools' Payments as they currently exist.

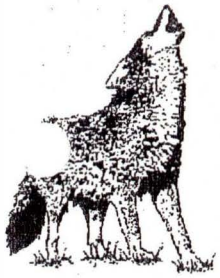
Do you have any questions of me?

1190 cut

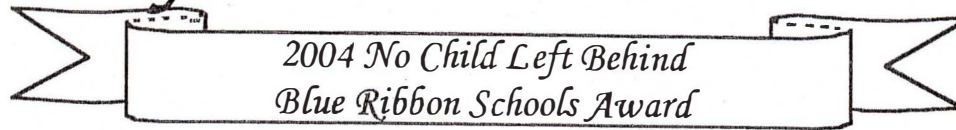
Kayla Effertz - Wolford / Perfect Storm
not sitting around
new comp lab

NDCDE Electives 2013-14

Computer Science Applications	Nutrition	Creative Art & Design
American Literature	Personal Management	Calligraphy
Creative Writing	The Real World of Parenting	Graphic Design
Gothic Literature	Relationships	International Business
Journalism 1	Music Appreciation	Hospitality & Tourism
Journalism 2	Advanced P.E. 1	Sports & Entertainment Marketing
Mythology	Advanced P.E. 2	Economics
Alcohol, Tobacco, & Other Drugs	Exercise Science	Intro. to Social Media
First Aid	Fitness Fundamentals 1	Computing for College & Careers
Fitness for Life	Fitness Fundamentals 2	
Intro. to Group Sports	Running	
Intro. to Individual Sports	Strength Training	
Walking Fitness	Wildlife Management	
Archaeology	Criminology	
Legal Studies	Anthropology	
Psychology	Sociology 1	
E-Dynamic	Sociology 2	
World Religions	French 1	
Accounting 1	German 1	
Accounting 2	Latin 1	
Digital Video Production	Personal Finance	
Web Design	Art Appreciation	
Digital Photography 1	Fashion Design	
Digital Photography 2	Basic Drawing	
Advanced Drawing	Beginning Painting	



Wolford Public School



401 3rd Ave. SW, Box 478
Superintendent, Larry Zavada

Wolford, ND 58385
Larry.Zavada@sendit.nodak.edu

Phone (701) 583-2387
Fax (701) 583-2519

To: Students in Grades 9-12 in 2013-14 and Their Parents

From: Larry Zavada, Superintendent L Z

Date: Wednesday, January 16, 2013

Subject: **On-Line** Vocational Agriculture Classes for 2013-14

The ND Department of Public Instruction and the Career and Technology Education office recently granted us permission to offer the following classes from the Nelson Academy in Montana. Please take note of the following:

- a. The school will pay the \$250.00 per class fee as long as the student passes the class.
- b. In many cases the classes can't be randomly taken but must align with the CTE Coordinated Plan of Study. Mrs. Zavada will coordinate this.

We are very happy to make these courses available to our students.

Intro to Agriculture	Animal Science I
Agriculture Careers	Leadership
Animal Science Beef Production	Vet Science I
Animal Science Swine Production	Vet Science II
Animal Science Sheep Production	Equine Science I
Food Science	Equine Science II
Plant Science	Crop Science
Farm Business Management I	Greenhouse Technology
Agribusiness I	Farm Business Management
Agribusiness II	Farm Business Management – Estimating Production Costs
Farm Business Management	Financial Planning

Chairman Holmberg and Members of the Appropriations Committee:

I am Senator Joan Heckaman from New Rockford and I represent District 23.

I am here to introduce SB 2214 which would provide transition payments to isolated school districts.

I have no isolated school districts in my district but just happened to have an interest in keeping small schools viable.

There are currently 8 school districts that receive funding under the current plan. These schools will be getting decreased funding due to the current law. The Education Committee heard from Superintendent Zavada from the Wolford School District. Currently that district delivers its high school curriculum via Distance Education offering 59 electives, through DPI and CTE offering 21 Agriculture electives, and through Distance Education offering 2 online classes.

We heard how vital these transition payments are to these small isolated school districts. These payments help keep the school open and the educational delivery model closer to farm and rural communities. The schools in this dilemma were asking to be placed on permanent alternative status. Being placed on permanent status would provide some security in their budgeting process. I proposed that amendment in committee and it was rejected. However, we still have the bill-although funding will start decreasing in the 2013-2014 school year.

Communities continue to see the need to have educational services within a distance workable for families. Rehanna Quam, the young lady

who was a Senate Page last week, is an example of a student who is not from a small isolated school district but is an example of a student who travels many miles a day to get to her high school. Because the state has encouraged consolidation, Rehanna travels 50 miles from her home to her high school in Petersburg. How many more schools do we feel need to close in rural areas?

Wolford families are not willing to close their school and have their students travel greater distances-especially when it comes to putting small children on buses. But they have a small land mass and a small enrollment. We can help them out.

With the population from western North Dakota creeping further east, some of the schools in my legislative district are seeing increasing enrollments. That is encouraging. We may need these small districts in the future. Let's not close them. Let's let them know we value their contribution to the education of our students and the sacrifice the families make when living in our rural agricultural communities.

I ask for your consideration in passing SB 2214.

SB 2150 Section 37
Isolated School Adjustment
School Year 2011-12

Transition percentage			100%	100%	75%	50%	25%		
Districts formerly eligible			ADM	Sq Miles	2011-12	2012-13	2013-14	2014-15	2015-16
06-001	Bowman County 1		408.19	1,047.75	23,874.83	23,874.83	17,906.12	11,937.42	5,968.71
08-028	Wing 28		100.08	407.75	29,121.85	29,121.85	21,841.39	14,560.93	7,280.46
13-037	Twin Buttes 37		41.27	102.00	37,601.05	37,601.05	28,200.79	18,800.53	9,400.26
22-014	Robinson 14		7.00	251.00	15,734.93	15,734.93	11,801.20	7,867.47	3,933.73
26-004	Zeeland 4		51.00	155.80	21,783.59	21,783.59	16,337.69	10,891.80	5,445.90
35-001	Wolford 1		42.70	195.50	66,359.24	66,359.24	49,769.43	33,179.62	16,589.81
38-001	Mohall-Lansford-Sherwood 1		329.19	814.00	36,448.09	36,448.09	27,336.07	18,224.05	9,112.02
47-019	Kensal 19		41.92	169.50	28,282.78	28,282.78	21,212.09	14,141.39	7,070.70
Total			1,021.35	3,143.30	259,206.36	259,206.36	194,404.78	129,603.21	64,801.59

To be eligible for the isolated school district factor, the district must have fewer than 100 student ADM and a district area greater than 275 square miles. Districts that were formally eligible that are no longer eligible for the isolated school district factor receive transition grants.

SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:

- a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
- b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
- c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
- d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011

2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

- >
- > The list of the hold harmless districts is attached.
- >
- > Districts meeting the 275 square mile and < 100 ADM criteria:
- > Burke Central 36
- > Alexander 2
- > Gackle-Streeter 56
- > Hazelton-Moffit-Braddock 6
- > Munich 19
- > Drake 57
- > McClusky 19
- > Starkweather 44
- > Selfridge 8
- > Edmore 2
- > Billings Co 1
- > Bowbells 14
- > Newburg-United 54
- > Halliday 19
- > Marmarth 12
- > Central Elementary 32

SB 2214

Chairman Nathe and Members of the House Education Committee:

I am Senator Joan Heckaman from New Rockford and I represent District 23. I am here today to introduce SB 2214 to you. While I have no small isolated schools in my district, I have a concern that removing funding from these schools will adversely affect the delivery of educational services to our rural farming communities. I received my elementary education in a small township school where 1 teacher taught all 8 grades. I am also a product of a small town high school. It is from that background that I bring to you this request to give small districts the opportunity to continue their important work.

This is an important bill to a few school districts across the state. Currently in code is a provision to pay school districts an additional payment because of their district size and enrollment. But 8 school districts that receive funding under this provision will begin to see a decrease in that funding if this bill is not passed while a number of others will continue to receive funding under the same isolated schools provision.

You will hear the importance of these funds to some of these schools as their administrators have traveled here to provide information to you. You will hear how continued funding will help keep the school open and the educational delivery model closer to rural families. You will hear the importance of these funds to these schools and their boards of education. The schools have been told that the new funding model in HB1319 will help them out some. But in my conversation with DPI last Friday, that may not be the case. So let's keep this bill alive.

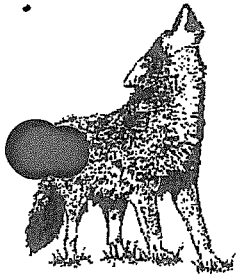
The bill will pay these 8 schools the current isolated payment they are receiving now through the 2013-15 biennium. After that time they will start seeing decreased funding with a 25% drop over the next 3 biennia. *per year*

Communities continue to see the need to have educational services within a distance workable for families. Recently I had 2 young ladies serve as Pages for the Day in the Senate. One of them is an example of a student who travels many miles a day to get to her high school. Because we as legislators have encouraged

and incentivized consolidation, Rehanna travels 50 miles from her home to her high school in Petersberg. That is the mileage for a 1 way trip. How many more schools do we feel need to close in rural areas?

These 8 school districts affected by this bill have a small land mass and a small enrollment. With the population from western North Dakota creeping further east, some of the schools in my legislative district are seeing increasing enrollments. That is encouraging. We may need these small districts in the near future. Let's not close them. Let's let them know we value their contribution to the education of our students and the sacrifice the families make when living in our rural agricultural communities.

I ask for your consideration in passing SB 2214.



Wolford Public School

2



2004 No Child Left Behind
Blue Ribbon Schools Award

401 3rd Ave. SW, Box 478
Superintendent, Larry Zavada

Wolford, ND 58385
Larry.Zavada@sendit.nodak.edu

Phone (701) 583-2387
Fax (701) 583-2519

Dear Chairman Nathe and Members of the House Education Committee:

I am Larry Zavada, Superintendent of the Wolford Public School.

I will not be asking for additional funding as compared to 2012-13, only that our Isolated Schools' Payments do not decrease.

I stand before you today seeking your support of SB 2214, making our current Isolated Schools' payments permanent. I believe that regardless of the location and vocation of a child's parents, every North Dakota child deserves the maximum educational opportunity possible. Passage of this bill will help students of the Wolford Public School receive this opportunity. If this bill does not pass, the WPS will be hindered significantly in its efforts to do all that could be done for its students. As legislation currently stands for Isolated Schools' Payments, the Wolford Public School is scheduled to receive the following **reductions** in comparison to 2012-13:

- a. 2013-14: \$16,589.82 (5.9% reduction in student aid)
- b. 2014-15: \$33,179.62 (11.8% reduction in student aid)
- c. 2015-16: \$49,769.43 (17.7% reduction in student aid)
- d. 2016-17: \$66,359.24 (23.6% reduction in student aid)

In addition to this, it looks like HB1319 will not have much of a positive impact on us. My March 8 email from Senator Heckaman states: **"I visited with Jerry Coleman, and he thinks HB 1319 will not benefit you very much."**

The above-mentioned reductions are based on 2012-13 Foundation Aid and Isolated Schools' Payments and revenue cuts in accordance with current legislation.

The Wolford Public School District does not discriminate on the basis of race, color, national origin, sex, or handicap in its employment policies or practices.

These projected cuts present severe negative consequences for our school and will severely limit student opportunities. Our hope of having our Isolated Schools' Payments permanently set at the 2012-13 level will allow us to do the following in addition to the daily operation of the school:

- a. continue to offer a variety of online classes through NDCDE (This year every student in grades 7-12 is taking at least 2 online classes. The district spent \$11,000.00 on these student opportunities this school year.)
- b. For 2013-14 we will offer our grade 7-12 students a choice of 59 electives through NDCDE (see att.).
- c. For 2013-14, and through the efforts of DPI and CTE, we will offer our grade 9-12 students a choice of 21 Vocational Agriculture on-line electives (see att.).

Our goal is not just to "keep the doors open." The Board of Education and I have a goal of doing all we can for our students for as long as is possible. Here is some additional information about our school:

- a. The process of going to an online Business Ed. Program through NDCDE was an eleven month process (see att. of pages 27-29 in the Legislative Briefing Sixty-Third Legislative Assembly-2013). During this eleven month process the WPS did the following:

- * Board and supt. visited NDCDE

- * NDCDE staff visited WPS in Sept. 2011 and met with staff and students.

- * NDCDE staff visited WPS in January 2012. After this meeting, 2 board members, 3 teachers, 3 support staff, 1 community member, and I enrolled in a NDCDE class. We took the class because we decided we would not ask students to do something that we would not do ourselves. As we took this class we focused on **academic rigor, user friendliness, and timeliness and quality of feedback.** Everyone that took a class gave rave reviews.

- * Upon implementing the online Business Ed. Curriculum, we built in an evaluation. On November 2, 2012 we had a Minot State Business Ed. teacher spend the entire day at school evaluating our program(see att).

- b. The WPS is the only school in the state that operates an Amphibian Research Station. We do this through Dr. Beachy and Minot State University.

c. The WPS is the only school in the state that has a school sponsored Precision Air Rifle Team.

d. 2012-13 NDSA Results

- * Grades 3,4,5,and 6: 85% of all SCORES were Proficient or Advanced

- * Grades 7,8, and 11: 97% of all SCORES were Proficient or Advanced

e. We have become a **Blended School**, a combination of the Traditional School and Virtual Schools. We are so convinced that this is the best way to prepare our students for a higher level academic career.

f. Students are excited about online opportunities. Students will frequently ask about classes for next year and plan on graduating with up to 30 credits. I had a student request to take an extra English class this year.

g. Future On-line Summer School- We plan to start an On-line Summer School this summer.

h. Welford was a National Blue Ribbon School in 2004 and three times we have been recognized as a Title 1 Distinguished School.

i. Purchased 2 new computer labs 2012-13 (stand alones and laptops)

j. GUESS WHAT (STEM): 2012-13 with NDSCS (Grade 9 Girls)

k. GUESS AGAIN (STEM): 2013-14 with NDSCS (Grade 9 Girls)

l. YOU'RE HIRED (STEM) 2012-13 and 2013-14 with NDSCS. Welford is the host school and other schools attending are Rugby, Rolette, North Star, and Starkweather. This is a 3 day project.

- * November 30, 2012- Cleaning up Oil Spills

- * March 27, 2013- Texting and Driving

- * November 2013- Health and Nutrition

YOU'RE HIRED is an activity created by Dr. Kristi Jean of NDSCS. Students are put into teams and given a problem to solve in a specific timeline. Once the students have solved their problem they make verbal and visual presentations to a "Board." The Boards we have put together consist of the following members: bank executive, newspaper editor, engineer, agriculture producer, college and career

counselor, radio owner/operator, retired teacher, power company executive, and REA director.

I believe the above information is a clear indication that we are not content to just keep our doors open.

What have we done to reduce expenses?

- a. shared services with area schools (counselor, business manager, supt.)
- b. reduced support staff hours (result of declining enrollment)
- c. all business classes online, done for efficiency and increased rigor; a benefit has been a reduction in staff costs of \$18,000.00/yr.

As I am about to conclude my testimony, I have to mention my perception that we are being evaluated on the geographical dimensions of our district and not merit. I am also puzzled by the fact that the 2011 Legislature added 16 schools to receive Isolated Schools' Payments while phasing these payments out for 8 of the smallest schools in the state (see attachments).

Thank you for the opportunity to appear before this committee and for considering my request to support SB 2214 which would continue Wolford's Isolated Schools' Payments as they currently exist.

Do you have any questions of me?

NDCDE Electives 2013-14

Computer Science Applications

American Literature

Creative Writing

Gothic Literature

Journalism 1

Journalism 2

Mythology

Alcohol, Tobacco, & Other Drugs

First Aid

Fitness for Life

Intro. to Group Sports

Intro. to Individual Sports

Walking Fitness

Archaeology

Legal Studies

Psychology

E-Dynamic

World Religions

Accounting 1

Accounting 2

Digital Video Production

Web Design

Digital Photography 1

Digital Photography 2

Advanced Drawing

Nutrition

Personal Management

The Real World of Parenting

Relationships

Music Appreciation

Advanced P.E. 1

Advanced P.E. 2

Exercise Science

Fitness Fundamentals 1

Fitness Fundamentals 2

Running

Strength Training

Wildlife Management

Criminology

Anthropology

Sociology 1

Sociology 2

French 1

German 1

Latin 1

Personal Finance

Art Appreciation

Fashion Design

Basic Drawing

Beginning Painting

Creative Art & Design

Calligraphy

Graphic Design

International Business

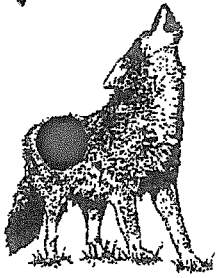
Hospitality & Tourism

Sports & Entertainment
Marketing

Economics

Intro. to Social Media

Computing for College &
Careers



Wolford Public School

*2004 No Child Left Behind
Blue Ribbon Schools Award*



401 3rd Ave. SW, Box 478

Wolford, ND 58385

Phone (701) 583-2387

Superintendent, Larry Zavada

Larry.Zavada@sendit.nodak.edu

Fax (701) 583-2519

To: Wolford Public School Board of Education and All School Employees

From: Mr. Zavada, Supt.

Date: Wednesday, January 09, 2013

Subject: Vo-Ag Classes 2013-14

DPI and CTE have approved our request to offer the following classes next year:

Intro to Agriculture	Animal Science I
Agriculture Careers	Leadership
Animal Science Beef Production	Vet Science I
Animal Science Swine Production	Vet Science II
Animal Science Sheep Production	Equine Science I
Food Science	Equine Science II
Plant Science	Crop Science
Farm Business Management I	Greenhouse Technology
Agribusiness I	Farm Business Management
Agribusiness II	Farm Business Management – Estimating Production Costs
Farm Business Management	Financial Planning

All of these courses are for 9-12 students.

Courses can't be randomly selected but must align with a Coordinated Plan of Study. It is the responsibility of the administration and counselor to ensure this.

The Wolford Public School District does not discriminate on the basis of race, color, national origin, sex, or handicap in its employment policies or practices.

A North Dakota Story of Hope, Innovation, Dedication and Success

Introduction

In early November, 2012, fifty ND educators, school board members, moms and dads witnessed a presentation that provides hope and help for small, rural schools. Four North Dakota educators and community residents told their stories about how they saved a small ND school from closing, opened a school-within-a-school, and provided kids educational experiences not thought possible even in much larger schools. The presentation took place at the 2012 North Dakota School Board Association Convention in Bismarck.

The presenting group titled their clinic Addressing Curriculum Needs While Facing Teacher Shortages with the following as a subtitle – “How the innovative thinking of four ND, rural education and community leaders produced 21st Century solutions for the challenges faced by rural ND schools, communities and students.”

Wolford and Beulah Public Schools represent a large percentage of schools in North Dakota. Both schools are rural, and by national standards, both are small. Wolford Public School is very small; it totals 50 students kindergarten – grade 12. Beulah Public School is larger; it totals 700 students K–12. About 40, 000 of all K–12 students in North Dakota receive their educations in schools with less than a 1,000 students K-12. A majority of these schools are comprised of 300 students or less K–12.

Bob Tollefson, Executive Director of North Dakota Small Organized Schools (NDSOS), introduced the presentation. He gave a description of the partnership NDSOS has formed with the North Dakota Center for Distance Education (ND CDE) in order to bring

choice and enhancements to small, North Dakota schools. Bob is a long time school administrator, who has experienced large and small school environments both in North Dakota and other states.

Wolford's Story

Larry Zavada, Superintendent at Wolford Public School, was first to speak. Larry stated matter-of-factly that two years ago he was making plans, along with his school board, to close Wolford Public School. In an effort to stabilize the last year or two of operation, Larry decided to explore some options he had not considered before. Wolford had already embraced the use of computers and had done some work with online education providers, so he knew a bit about the direction he might try to ease the pain of closing. Larry called the North Dakota Center for Distance Education. During that initial conversation he proposed to the Center's director that he bring his school board to the Center. He wanted them to see for themselves the possibilities a partnership between Wolford and ND CDE might provide for Wolford's kids. The first meeting went well.



Wolford Public School

The next step was to have ND CDE personnel travel to Wolford to show the teachers and students of Wolford Public School how online

teaching and learning takes place and how they might fit into that kind of scenario. The first visit went well. The students enjoyed trying out the courseware. The teachers liked the idea of using online courses to supplement the courses they provided. Following the visit Larry asked the students to indicate to him, if given opportunity, what courses they would like to enroll in with ND CDE. Sixteen high school students (the entire Wolford High School) requested 36 courses!

Larry recognized the potential. Wolford's kids wanted more choice of courses. But he also recognized that the community might not buy-in so readily; after all, he knew that many had already resigned themselves to closing the school. Larry asked that ND CDE visit Wolford a second time. For this meeting he invited the entire school board and any community members who wished to attend. The entire school board and many Wolford residents showed up. Most attendees were parents and grandparents, but several were not. They were all there to check out this new way to bring education to Wolford's kids. The visit resulted in an open dialogue between a community (and its school) and an education provider. Both learned a great deal.

After the second visit, Larry polled the community to get a sense of the prevailing opinion—good idea, bad idea? What he found was a community, though impressed by what they had seen, not sure that providing their kids online courses was the right thing to do. After all, "education takes place in a classroom;" maybe the best decision for everyone involved would be to close the school. But like their ancestors, who had settled the land around Wolford, Wolford's citizens don't give up easily. A collective decision was made to have volunteer adults from the community enroll in ND CDE online courses to check them out.

ND CDE personnel taught the volunteers how to manipulate the software used to participate in an online course. Each adult was enrolled in an online course of his or her own choice. The adults spent several weeks working in the courses. The result of their experience was a resounding yes; they were impressed and convinced. Online courses would be good for their kids. In fact, they shared with Larry that online courses facilitated by ND CDE instructors were as good, if not better, than any courses they had participated in during their lifetimes.

For the current 2012/2013 school year Wolford students have enrolled in over 40 ND CDE courses. Some have enrolled into courses where they complete the work on their own, and on their own time; in addition, for several courses, students use school time. School time courses are facilitated by an adult Wolford community member. She is a college graduate, but not a teacher. To prepare her for the classroom work she was provided training by ND CDE. The result is that together the teachers of ND CDE and Wolford's classroom facilitator create a learning environment to which Wolford's students have positively responded. Students universally enjoy their courses, and if grades are an indication, they are doing very well. Larry was also quick to point out, that no Wolford teacher was replaced by online courses. Wolford teachers continue to teach core courses and in some cases provide the hands on portion of blended* courses.

** Blended courses combine online delivery with classroom participation. An example at Wolford is carpentry where distance delivery provides basic information and school shop provides the hands-on experience.*

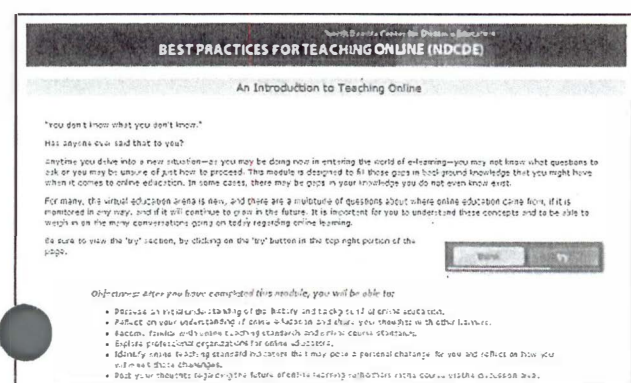
According to Larry, Wolford Public School's Board has now completed a three-year strategic plan. There is still the option to close the doors

and consolidate with an area school, but for now, Wolford wants to keep its school, and due to the success they have realized by making the changes, they have concluded there is no reason not to keep Wolford Public School open.

Education Innovation at Wolford

Next to speak was Wanita Olson. Wanita is Wolford Public School's part-time business manager and its part-time online course coordinator/facilitator. Wanita is also a mom of school age kids. Wanita has a degree in business, and up until Larry asked her to consider becoming the facilitator of the online courses, had not given teaching much thought. Given a chance to think about it, Wanita was apprehensive. She worried about her ability to work in a classroom with students; she had no experience.

The summer of 2012 Wanita enrolled in a course provided by ND CDE, "Best Practices for Online Teachers." The course, conceived and developed by the staff at ND CDE, and reviewed and approved by NDSU, provides the basics of online instruction. The course splits its time between reviewing and practicing the technical processes that support online delivery, and the teaching/tutoring techniques ND CDE applies. ND CDE courses are teacher-supported; its online courses require student/teacher interaction. Unlike ND CDE, many online education organizations provide only courses that do not provide for student/teacher interaction or severely limit the interaction.



Wanita reported that the first days of her facilitation experience were a little rough for her and her students. Not everything went smoothly. But after only one week, everything began to fall into place. Her students had mastered the software; she was becoming more comfortable helping students; and the atmosphere of the classroom was one that indicated everyone was working on learning.

Wanita's courses are business related. She reported that she probably gets the most questions in the Accounting course. But to her surprise, her work with younger students in a Keyboarding course, which involves much more than keyboarding, has also proven to be enjoyable and enriching.

Wanita was asked several questions following her part of the presentation. Most had to do with her feelings about stepping into a role that was new to her and one in which she did not have college-level training. She answered with the same sincerity that was evident in her presentation. She said her online training had prepared her for the facilitation of the courses. ND CDE instructors handle the teaching duties. Wolford's teachers support her work. She also pointed out that without her and the ND CDE courses Wolford's kids would not have had business courses to select from in 2012/13. Larry was unable to hire a part-time business teacher, a dilemma faced by many ND small schools in many academic areas. And for her, two part-time jobs equal a full-time job, along with a full-time paycheck.

Wanita was asked, was there any downside to her experience? After some thinking, she stated, "No," she couldn't think of any. She explained that ND CDE was ready and willing to help her whenever she asked for help; ND CDE regularly contacted her and her students; Larry was very supportive; and Wolford's kids appreciated that one of their moms was helping them learn.

TO: Mr. Larry Zavada, Superintendent
Mr. Ron Graber, Wolford School Board President
Mr. Joel Braaten, Principal
Wolford School Board

FROM: Jan Repnow

DATE: November 9, 2012

SUBJECT: Business Education Observation November 2, 2012

Thank you for the invitation to spend the day in the business department at the Wolford School. You know Wolford is very near and dear to my heart, and that student success in the business department is first and foremost to me.

I know we can agree on the fact that an engaged, energized, and competent face-to-face instructor coupled with students who are ready to learn is a recipe for success in any classroom. Realistically, in many situations, however, there are components in that recipe that may not exist. Couple that with declining enrollments, as you were, and changes need to be made.

One of the comments that I heard at my initial visit a few months ago, that truly guides this endeavor in fact, was that CDE affiliation was not just a process to keep the school going, but it was for student learning. That is a key component, and it certainly was evidenced when I visited last Friday, November 2.

STRENGTHS

- The **curriculum** and the textbooks used are wonderful. They are based on national and state standards and are the ones most recommended for business department usage across the state and country.
- **Instructor feedback** to the students. I was most impressed! (In fact, the feedback is better than in some "regular" classrooms that I have witnessed!) The feature that the feedback comes back to the student, the facilitator, the parents, and administration is commendable.
- The student's **link to higher education** will certainly be enhanced. Many collegiate programs are offered online, and certainly that will only grow as technology continues to advance.
- The **students like this program!** When I asked the students for comments, they readily replied with varying comments such as: "we can work ahead," "quick response time from our instructors."
- **Students are learning.** Their grades are showing growth. When I asked them if they are learning less than, the same as, or more than last year, 11 of 12 students said "more." I certainly understand that is not a truly research based question given many other circumstances, but nonetheless, the positive responses were given.

- The facilitator has a business background. This is a huge positive for the program. For example, in accounting when the concepts of adjusting and closing entries are discussed, Mrs. Olson gave the “teaching moment” to the class. This is one of those more abstract concepts that is truly accentuated by face-to-face instruction.
- **Support of the administration and school board.** A commendable component is that nine faculty, board members, and staff took a class through ND CDE prior to student use. You didn’t just take the CDE option, you truly investigated the offerings to assure student learning.
- **Student binders** promote organization and time management. Specific deadlines are given either by the instructor or the other software components (Aplia in accounting, for example). Deadlines are real-world. This is a great learning opportunity to produce quality work under the time constraints given.

MY CONCERNS/QUESTIONS

- The strength of the current program is based on the relationship of motivated Wolford students and a business-trained facilitator working with the CDE personnel. All three of these working together truly make learning happen. I trust these **will** all be in place again? What is the future of the program?
- What are the responsibilities of the online supervisor and the facilitator?
 - Thank you for your explanation of these questions in our exit comments!

SUGGESTIONS

- The **continuation of FBLA**. Even though the business courses are not affiliated with Career and Technical Education now, I encourage Wolford to continue this valuable program. Students may compete at FBLA even without CTE affiliation. I encouraged Mrs. Olson to seek assistance from other CTE programs for parliamentary procedure guidance. The selection of projects and tests for the State FBLA Conference can be discussed anytime and practice should begin!

Again, thank you for the opportunity to assist in keeping learning happen at the Wolford School. If I can be of further assistance, please let me know!

*Schools in the process of being
eliminated from Isolated schools
Payments*

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- For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
- For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
- For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011

2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

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Subject: RE: SB2214

From: "Coleman, Jerry A." <jcoleman@nd.gov>

Date: Tue, January 22, 2013 7:37 am

To: "Larry Zavada" <Larry.Zavada@sendit.nodak.edu>

Priority: Normal

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The list of the hold harmless districts is attached.

Districts meeting the 275 square mile and < 100 ADM criteria:

Burke Central 36

Alexander 2

Gackle-Streeter 56

Hazelton-Moffit-Braddock 6

Munich 19

Drake 57

McClusky 19

Starkweather 44

Selfridge 8

Edmore 2

Billings Co 1

Bowbells 14

Newburg-United 54

Halliday 19

Marmarth 12

Central Elementary 32

*Schools new to
Isolated Payments.*

-----Original Message-----

From: Larry Zavada [mailto:Larry.Zavada@sendit.nodak.edu]

Sent: Monday, January 21, 2013 9:06 AM

To: Coleman, Jerry A.; Heckaman, Joan M.

Subject: SB2214

Hi Jerry,

I am working on SB2214 with Sen. Heckaman. Right now I am gathering info for her and me. I know the 2013 Legis. has you swamped but am requesting the following info from you.

1. I know that Wolford, Zeeland, Kensal, and Sherwood are scheduled to start receiving reductions in Isolated Schools payments next yr. Are there any other Isolated Schools also scheduled to start receiving payment reductions next yr.?
2. How many schools are new to the Isolated Schools funding as a result of the 2011 legis.? I have been told 8 to 12.
3. What is the annual cost of adding new schools to Isolated Funding?

Thank you for your time and answers!!

CHAIRMAN NATHE, AND HOUSE EDUCATION COMMITTEE MEMBERS

FOR THE RECORD MY NAME IS ROBERT TOLLEFSON, EXECUTIVE DIRECTOR OF NORTH DAKOTA SMALL ORGANIZED SCHOOLS (NDSOS)

NDSOS STANDS IN SUPPORT OF SB2214, WHICH IN IT'S INTENT, WOULD CONTINUE FULL ISOLATED SCHOOL ADJUSTMENT PAYMENT TO 8 SMALL RURAL SCHOOLS WHO BY PREVIOUS LEGISLATIVE ACTION WERE TARGETED TO RECEIVE 25% LESS FOR THE 2013-14 SCHOOL YEAR UNDER WHAT IS TERMED A TRANSITION PAYMENT.

THIS TRANSITION PAYMENT PROVISION WOULD BE EFFECTIVE THE NEXT THREE YEARS REDUCING THE PAYMENT EACH YEAR BY 25%. THIS CONTINUAL REDUCTION WOULD MEAN THAT THESE DISTRICTS WOULD NOT RECEIVE ANY TRANSITION PAYMENT FOR THE 2016-17 SCHOOL YEAR.

OVER TIME, WHEN STUDENT NUMBERS REMAIN CONSTANT OR DECREASE AND AT THE SAME TIME THE DISTRICT WITNESSES TAXABLE VALUATION INCREASES, THIS COMBINATION SPELLS OUT A CONTINUAL LOSS OF STATE REVENUE FOR THESE DISTRICTS.

WHAT CREATES THE PROBLEM FOR THESE DISTRICTS IS THAT THE SERVICES ARE STILL NEEDED AND REQUIRED EVEN THOUGH FEWER STUDENT NUMBERS MAY BE REALIZED. THIS STARTS THE DOWNWARD SPIRAL OF REVENUE WHILE WITNESSING AN INCREASING VALUATION PER STUDENT WHICH CREATES A LARGER DEDUCTION FROM THE STATE PAYMENTS.

IT HAS BEEN AN ONGOING PROCESS REGARDING SMALL RURAL DISTRICTS AND THEIR CONTINUAL EFFORTS TO PROVIDE A QUALITY EDUCATION FOR THEIR STUDENTS. TERMS SUCH AS "SMALL BUT NECESSARY SCHOOLS", AS WELL AS, "ISOLATED SCHOOLS" HAVE TYPICALLY BEEN MET WITH ADDITIONAL FINANCIAL SUPPORT FROM THE STATE THROUGH THE WEIGHTING OF STUDENT UNITS BASED ON SIZE.

THIS BILL AT BEST EXTENDS THE EXISTING TRANSITION PAYMENT ONE MORE YEAR BY IN ESSENCE PROVIDING A FULL TRANSITION PAYMENT FOR THE UPCOMING 2013-14 AND STARTING THE 25% PER YEAR REDUCTION DURING THE 2014-15 SCHOOL YEAR.

I WOULD ASK THE COMMITTEE TO CONSIDER AMENDING THE BILL TO PROVIDE A FULL TIME PAYMENT AS A PERMANENT ONE AND AS SUCH,

THE AMENDMENT WOULD REMOVE THE 25% TRANSITION REDUCATION PLAN UNTIL EACH DISTRICT WAS PHASED OUT OF THIS PAYMENT.

THERE ARE A GREAT MANY ITEMS WHICH WILL NEGATIVELY AFFECT SMALL RURAL DISTRICTS THAT HAVE BEEN DISCUSSED DURING THIS LEGISLATIVE SESSION. WHILE NOTHING IS FINALIZED AS YET, WE HAVE SEEN PROPOSED INCREASED TRANSPORTATION FUNDING REMOVED WHILE COSTS CONTINUAL TO INCREASE. WE ARE SEEING A SCHOOL FUNDING PLAN BEING STRUCTURED TO OVER DOUBLE THE PAYMENT PER PUPIL WHICH LIMITS LOCAL PROPERTY TAX. THIS COMBINATION DOES NOT BODE WELL FOR RURAL DISTRICTS WHILE AT THE SAME TIME, THE DISCUSSION IS BEING HELD TO LIMIT ANY INCREASED PERCENTAGE OF THE LOCAL PROPERTY TAX WHEN WE DO DECREASE IT.

YEARS AGO WHEN SCHOOLS WERE IN THE PROCESS OF DISSOLVING A DISTRICT OR REORGANIZING WITH ANOTHER, IT WAS A FIGHT BETWEEN CONTIGUOUS DISTRICTS TO SECURE THE LAND AS IT WAS ADVANTAGEOUS TO INCREASE THEIR TAX BASE. THERE IS A SWITCH THAT HAS AND WILL CONTINUE TO OCCUR WHEN SCHOOLS REACH A POINT WHERE THEY DECIDE TO CLOSE THEIR DOORS. SCHOOLS HAVE BEEN NEGATIVELY IMPACTED WITH LOSS OF STATE REVENUE DUE TO INCREASED TAXABLE VALUATION AND LESS SUPPORT FROM THE STATE DUE TO A HIGHER TAX BASE AND THEIR LOWER MILL RATE FOR THEIR DISTRICT.

SB2214 PROVIDES FOR SOME SUPPORT FOR SMALL RURAL SCHOOLS, I SEEK YOUR CONSIDERATION OF MAKING THE FULL PAYMENT PERMANENT.

THANK YOU FOR YOUR TIME AND CONSIDERATION FOR SUPPORT OF SB 2214 AND IF THERE ARE ANY QUESTIONS, YOU MAY CONTACT ME.

E-mail: rtollefs@q.com

Cell Phone: 701-595-2880

#1

Proposed Amendment to S.B. 2214

Under Section 27 of SB 2150, eight (8) small rural schools are targeted to receive twenty-five percent (25%) less for the 2013-2014 school year under what is referred to as a transition payment. The transition payment would continue for the next three (3) years, reducing the payment each year by twenty-five percent (25%).

The passage of SB 2214 would extend the existing transition payment by one more year. This would provide a full transition payment for the school year 2013-2014 and start the twenty-five percent (25%) reduction during the 2014-2015 school year. The eight (8) school districts would not receive any more transition payments beginning with school year 2016-2017.

The proposed amendment to SB 2214 would extend the existing transition payment by 2 more years. That would provide a full transition payment for 2013-14 and 2014-15 and start the twenty-five (25%) reduction during the 2015-2016 school year. The eight (8) school districts would not receive more transition payments beginning with school year 2018-2019.

Cost per year:

\$ 259,000	100%
\$ 194,000	75%
\$ 129,000	50%
\$ 64,000	25%
\$ 0	

#2

13.0552.01003
Title.

Prepared by the Legislative Council staff for
Representative Hunsakor
March 26, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2214

Page 1, line 14, remove "seventy-five percent of"

Page 1, line 17, replace "fifty" with "seventy-five"

Page 1, line 19, remove "and"

Page 1, line 20, replace "twenty-five" with "fifty"

Page 1, line 22, after "2011" insert "; and

5. For the 2017-18 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011"

Renumber accordingly