

EDUCATION FINANCE COMMITTEE

The Education Finance Committee was assigned four studies. Section 13 of 1999 Senate Bill No. 2162 directed a study of the provision of education to public school students in this state and the manner in which education to public school students will be delivered in the ensuing 5, 10, and 20 years. The bill also directed consideration of demographic changes as they affect equity of educational opportunities with respect to courses, facilities, and extracurricular activities; equity with respect to teacher availability and qualifications; equity with respect to the organization and administration of school districts; and taxpayer equity in both rural and urban school districts. Senate Concurrent Resolution No. 4031 directed a study of the method by which the state funds special education services. House Concurrent Resolution No. 3054 directed a study of accreditation standards for elementary and secondary schools, including optional accreditation standards, the fiscal impact of accreditation standards, and the waiver of accreditation standards based on student performance. Senate Concurrent Resolution No. 4042 directed a study of the feasibility and desirability of developing and implementing statewide academic standards for and assessment of elementary and high school students and a system of accountability at the school and school district level. Section 18 of 1999 S. L., ch. 35, directed that the committee receive a report from the Superintendent of Public Instruction regarding the content of the financial reports from school districts and the specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

Committee members were Senators Layton Freborg (Chairman), Dwight C. Cook, Jerome Kelsh, and Rolland W. Redlin and Representatives James Boehm, Thomas T. Brusegaard, Jack Dalrymple, Lois Delmore, Rachael Disrud, David Drovdal, Howard Grumbo, C. B. Haas, Lyle Hanson, Kathy Hawken, Dennis E. Johnson, RaeAnn G. Kelsch, Deb Lundgren, Ralph Metcalf, Robert E. Nowatzki, Bob Stefanowicz, and Laurel Thoreson.

The committee submitted this report to the Legislative Council at the biennial meeting of the Council in November 2000. The Council accepted the report for submission to the 57th Legislative Assembly.

PROVISION OF EDUCATION STUDY

Background North Dakota Constitution

Section 1 of Article VIII of the Constitution of North Dakota provides:

A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.

The words in Section 1 have been unchanged since their enactment in 1889. Section 2 of Article VIII of the Constitution of North Dakota follows with the directive that:

The legislative assembly shall provide for a uniform system of free public schools throughout the state, beginning with the primary and extending through all grades up to and including schools of higher education, except that the legislative assembly may authorize tuition, fees and service charges to assist in the financing of public schools of higher education.

Section 3 of Article VIII of the Constitution of North Dakota further requires that "instruction shall be given as far as practicable in those branches of knowledge that tend to impress upon the mind the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind." Finally, Section 4 of Article VIII of the Constitution of North Dakota directs the Legislative Assembly to "take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements."

Since the 1930s, the state has attempted to meet its constitutional directives by providing some level of financial assistance to local school districts. In the mid-1950s, a legislative interim Education Committee determined that the state assistance was set at arbitrary levels. The committee also noted that existing statutes did not require "uniform minimum local efforts through the taxation of all property by the local school districts in an effort to support their own education systems, to the degree that is believed desirable by the Committee." It was the 1957-58 interim Education Committee that recommended passage of a state foundation aid program.

Initiation of the Foundation Aid Program

A foundation aid program designed to provide financial assistance to local school districts has been in effect in North Dakota

since 1959 when the Legislative Assembly enacted a uniform 21-mill county levy and provided a supplemental state appropriation to ensure that school districts would receive 60 percent of the cost of education from nonlocal sources. This initial program was adopted in part because the Legislative Assembly recognized that property valuations, demographics, and educational needs varied from school district to school district. The Legislative Assembly embraced the broad policy objective that some higher cost school districts in the state "must continue to operate regardless of future school district reorganization plans." Taking into account the financial burdens suffered by the low valuation, high per student cost school districts, the Legislative Assembly forged a system of weighted aid payments that favored school districts with lower enrollments and higher costs. This initial program also allocated higher weighting factors to districts that provided high school services.

Until the 1970s, the foundation aid program remained essentially unchanged. During that time, however, federal and state courts were beginning to address issues of spending levels for elementary and secondary education and whether those levels should be dependent upon the wealth of the school district in which a student resides. The Legislative Assembly, in an attempt to preempt the issue in North Dakota, responded by amending the foundation aid program in a way that evidenced a higher level of sophistication. The state more than doubled the per student payment and replaced the flat weighting factor with one that recognized four classes of high schools. Elementary weighting factors were altered as well. Adjustments continued to be made during the mid-1970s. A new category encompassing seventh and eighth grade students was created, and fiscal protection for schools experiencing declining enrollments was instituted. This latter provision ensured that no school district could receive less in foundation aid payments for a current year than that district would have received based on its enrollment during the previous school year. For the 1975-77 biennium, the foundation aid appropriation was \$153.4 million. In 1979 the Legislative Assembly appropriated \$208.4 million for the foundation aid program and added an additional appropriation of \$1 million to pay for free public kindergartens.

The next major development affecting education finance occurred with the approval of initiated measure No. 6 at the general election in November 1980. This measure imposed a 6.5 percent oil extraction tax and provided that 45 percent of the funds derived from the tax must be used to make possible state funding of elementary and secondary education at the 70 percent level. To meet this goal, the 47th Legislative Assembly allocated 60 percent of the oil extraction tax revenues to the school aid program. Initiated measure No. 6 also provided for a tax credit that made the 21-mill levy inapplicable to all but the owners of extremely high-value properties. The Legislative Assembly eliminated the 21-mill county levy and increased state aid to compensate for the revenues that would have been derived from the levy.

During the early 1980s, discussions continued to center around purported funding inequities. Districts spending similar amounts per student and having similarly assessed valuations were not levying similar amounts in property taxes to raise the local portion of education dollars. It was alleged that the system encouraged some districts to levy much smaller amounts than their spending levels and assessed valuations justified.

In response, the Legislative Council's Education Finance Committee during the 1981-82 interim examined a method of funding education known as the "70-30" concept. This proposal was a significant departure from the existing foundation aid formula in that it took into account the cost of providing an education in each school district. The formula required determination of the adjusted cost of education and then required the computation of a 30 percent equalization factor to arrive at each district's entitlement. It was contemplated that a local mill levy would be employed to raise the district's local share of the cost of education.

Proponents touted this approach as one that included a comprehensive equalization mechanism and which recognized local variances in the cost of education. Opponents argued it did nothing more than award high-spending districts and penalize those that had been operating on restricted budgets. The interim committee did not recommend the concept.

Discussions regarding the many aspects of education finance continued through the 1980s. Legislative Council interim committees explored weighting factors, considered the effects of increasing the equalization factor, and explored the excess mill levy grant concept. During the 1987-88 interim, the Education Finance Committee even established specific goals and guidelines to guide its deliberations on matters of education finance. While the interim committees articulated the need to alter the state's education funding system, they reached little agreement beyond recommending increases in the level of per student aid.

State Litigation

In 1989 legal action was initiated for the purpose of declaring North Dakota's system of public school finance unconstitutional. The complaint in *Bismarck Public School District No. 1 v. State of North Dakota* charged that disparities in revenue among the school districts had caused corresponding disparities in educational uniformity and opportunity which were directly and unconstitutionally based upon property wealth.

On February 4, 1993, after hearing 35 witnesses and examining over 250 exhibits, the district court issued 593 findings of fact and 32 conclusions of law. The court listed these "constitutionally objectionable" features of the school financing system:

- Disparities in current revenue per student are the result of variations in school district taxable wealth.
- The 22-mill equalization factor in the foundation aid formula fails to equalize for variations in district wealth because the equalization factor is below the state average school district tax rate for current revenue and leaves much of the school millage outside the foundation formula.
- The low level of foundation educational support fails to ensure substantial equality of resources for students in similarly situated school districts.
- The use of cost weightings that are inaccurate unjustifiably benefits districts with large amounts of taxable wealth.
- The flat grant allocation of tuition apportionment ignores the vast differences in taxable wealth among school districts and operates as a minimum guarantee for wealthy districts.
- The transportation aid program exacerbates existing resource disparities by reimbursing some, often wealthy, districts for more than the actual cost of transportation and requires other, often poorer, districts to fund a substantial share of transportation costs from other revenue sources.
- The special education funding program exacerbates existing resource disparities by giving higher-spending districts an advantage in obtaining state reimbursement of special education costs and requiring school districts to fund a large share of the excess costs of special education programs from their disparate tax bases.
- The state aid for vocational education exacerbates existing resource disparities.
- The state system for funding school facilities relies on the unequal taxable wealth of school districts.
- The payment of state aid to wealthy districts enables them to maintain large ending fund balances.
- The failure of the state to ensure that resource differences among school districts are based on factors relevant to the education of North Dakota students, rather than on the unequal taxable wealth of North Dakota school districts.

The district court declared the North Dakota school financing system to be in violation of the Constitution of North Dakota Article VIII, Sections 1 and 2, and Article I, Sections 21 and 22. The Superintendent of Public Instruction was directed to prepare and present to the Governor and the Legislative Assembly, during the 1993 legislative session, plans and proposals for the elimination of the wealth-based disparities among North Dakota school districts.

Response to the Litigation

In response to the district court's order, the Superintendent of Public Instruction presented the following recommendations to the 53rd Legislative Assembly:

- Raise the per student payment to \$3,134.
- Fund special education by dividing the 13 disabilities categories into three broad categories and assigning weighting factors to each.
- Fund vocational education by assigning weighting factors to high-cost and moderate-cost programs.
- Provide transportation reimbursements based on six categories of density.
- Provide state funding of education at the 70 percent level.
- Establish a uniform county levy of 180 mills.
- Distribute tuition apportionment in the same manner as foundation aid.
- Provide that federal and mineral revenues in lieu of property taxes and districts' excess fund balances be part of a guaranteed foundation aid amount.
- Allow districts the option of levying 25 mills above the 180-mill uniform county levy.
- Require that all land be part of a high school district and that districts having fewer than 150 students become part of a larger administrative unit.
- Provide \$25 million for a revolving school construction fund.

The Legislative Assembly offered its response by way of House Bill No. 1003 (1993). The bill was the appropriations bill for the Superintendent of Public Instruction, and as it progressed through the legislative process, it became the principal 1993 education funding enactment. The bill:

- Set the state support for education at \$1,572 per student for the first year of the 1993-95 biennium and at \$1,636 for the second year.
- Raised the equalization factor from 21 to 23 and then to 24 mills.
- Set weighting factors at 25 percent of the difference between the prior statutory amount and the five-year average cost of education per student, as determined by the Superintendent of Public Instruction, for the first year of the biennium and at 50 percent of the difference for the second year of the biennium.
- Capped state transportation payments at 100 percent for the first year of the 1993-95 biennium and at 90 percent for the second year of the biennium and directed that any savings resulting from imposition of the 90 percent cap during the second year of the biennium be used by the Superintendent of Public Instruction to increase the per student transportation payments available under North Dakota Century Code (NDCC) Section 15-40.1-16.
- Reiterated the existing statutory requirement that school districts admitting nonresident students charge tuition but exempted school districts that admit nonresident students from other districts offering the same grade level services.
- Directed the Legislative Council to conduct another study of education finance and appropriated \$70,000 for purposes

associated with the study, including necessary travel and consultant fees.

1993-94 Interim Study and 1995 Legislation

The Legislative Council's interim Education Finance Committee began its efforts during the 1993-94 interim before an appeal of Bismarck Public School District No. 1 was taken to the North Dakota Supreme Court. The committee was aware that many of the issues addressed by the trial court had been the subject of interim studies and legislative deliberations for many years. The committee also realized, however, that the requisite number of Supreme Court justices (four) might not necessarily agree with the lower court's determination that the state's system of funding education was unconstitutional.

The North Dakota Supreme Court issued its decision on January 24, 1994--Bismarck Public School Dist. No. 1 v. State of North Dakota, 511 N.W.2d 247 (N.D. 1994). Although three of the five justices held that the state's education funding system was unconstitutional, the Constitution of North Dakota Article VI, Section 4 requires four members of the court to declare a statute unconstitutional.

A majority of the Supreme Court indicated that there were three principal areas in need of attention--in lieu of revenues, equalization factors, and transportation payments. The Supreme Court did not, however, spell out specific legislative action. The court indicated the areas of concern and left it up to the Legislative Assembly to determine how those areas should be addressed. In a dissenting opinion, Chief Justice VandeWalle stated:

. . . [T]he present funding system is fraught with funding inequities which I believe have not yet transgressed the rational-basis standard of review but which appear to me to be on a collision course with even that deferential standard.

The Supreme Court decision was issued midway through the 1993-94 interim. By the time the Education Finance Committee had completed its work, it had considered 35 bill drafts and three resolution drafts. Twenty-seven pieces of legislation were recommended to the Legislative Council for introduction during the 1995 legislative session.

The committee's recommendations included increases in the minimum high school curriculum; establishment of an additional Governor's school; appropriation of funds for elementary summer school programs, professional development programs, professional development centers, and refugee student assistance; placement of all land in a high school district; alteration of the weighting categories; a variable equalization factor; reclassification of special education categories; distribution of tuition apportionment according to average daily membership; an increase in transportation payments from 28 cents to \$1 per day for all students transported by schoolbuses; and an \$80 million increase in the level of foundation aid over that appropriated during the 1993-95 biennium.

Although the 54th Legislative Assembly enacted a variety of bills dealing with education and education finance, the most significant provisions were found in three bills--Senate Bill No. 2059, Senate Bill No. 2063, and Senate Bill No. 2519.

Senate Bill No. 2059 dealt with the funding of transportation. The bill maintained the per mile payment of 25 cents for small buses and 67 cents for large buses, and it added a payment for in-city transportation of 25 cents per mile. The per head payment for in-city students riding schoolbuses or commercial buses was increased from 17.5 cents to 20 cents per one-way trip. The 90 percent cap on payments, which was instituted by the 53rd Legislative Assembly, was left in place.

Senate Bill No. 2063 dealt with the funding of special education. The bill provided that \$10 million must be used to reimburse school districts for excess costs incurred on contracts for students with disabilities, for low-incidence or severely disabled students, and for certain boarding care. The bill also provided that \$400,000 must be used to reimburse school districts for gifted and talented programs approved by the Superintendent of Public Instruction, and \$500,000 must be used to reimburse school districts with above-average incidence of moderately or severely disabled students. Any amount remaining in the special education line item must be distributed to each school district in accordance with the number of students in average daily membership. The line item for special education was \$36,850,000. The bill also provided that, during the 1995-96 school year, no district or special education unit could receive less than 95 percent of the amount it received during the 1993-94 school year, excluding reimbursements for student contracts, boarding care, and gifted and talented programs. During the 1996-97 school year, no district or special education unit could receive less than 90 percent of that amount.

Senate Bill No. 2519 provided an increase in the per student payment for isolated elementary schools and high schools and increased by 20 percent the weighting factors applied to students attending school out of state. The bill raised the equalization factor from 24 mills to 28 mills for the first year of the biennium and to 32 mills for the second year of the biennium, and provided that thereafter the equalization factor would be tied by a mathematical formula to increases in the level of foundation aid. The equalization factor would not be permitted to fall below 32 mills nor rise above 25 percent of the statewide average school district general fund mill levy. Weighting factors, which had been set at 50 percent of the difference between the factor stated in statute and the five-year average cost of education per categorical student, were left at 50 percent of the difference for

the first year of the biennium and then raised to 65 percent of the difference for the second year. High school districts whose taxable valuation per student and whose cost of education per student were both below the statewide average could receive a supplemental payment, again based on a mathematical formula. The sum of \$2,225,000 was appropriated for supplemental payments. Per student payments were set at \$1,757 for the first year of the biennium and at \$1,862 thereafter.

The 54th Legislative Assembly appropriated \$517,598,833 for foundation aid, transportation aid, supplemental payments, tuition apportionment, and special education. That figure exceeded the 1993-95 appropriation by \$41,561,941.

Education Finance - 1997 Legislation

The 55th Legislative Assembly incorporated the substantive provisions of its education finance package within Senate Bill No. 2338. That bill set the per student payments at \$1,954 for the 1997-98 school year and at \$2,032 for the 1998-99 school year. The equalization factor, which was raised to 32 mills by the 54th Legislative Assembly and thereafter tied by a mathematical formula to future increases in the level of foundation aid, was left at 32. All references to formulated increases were removed. Weighting factors, which were set at 65 percent of the difference between the statutory factor and the five-year average cost of education per categorical student, remained at 65 percent for the 1997-98 school year and increased to 75 percent for the 1998-99 school year.

Supplemental payments to high school districts whose taxable valuation per student and average cost of education are below the statewide average were maintained by House Bill No. 1393, but the mill range for eligible districts was raised from the 1995 level of 135 to 200 mills to the 1997 level of 150 to 210 mills. Payments to school districts for the provision of services to students with special needs were increased from the 1995-97 appropriation of \$36,850,000 to the current appropriation of \$40,550,000. Ten million dollars of this amount was set aside for student contracts, \$400,000 for the provision of services to gifted students, and the remainder was to be distributed on a per student basis.

The total amount appropriated for the foundation program, transportation, supplemental payments, tuition apportionment, and special education by the 55th Legislative Assembly was \$559,279,403. That figure exceeded the 1995-97 appropriation by \$41,680,570.

Education Finance - 1999 Legislation

The 1997-98 interim Education Finance Committee began to look at the impact of declining demographics. This concept found its way into Senate Bill No. 2162, which was enacted by the 56th Legislative Assembly.

Senate Bill No. 2162 addressed declining demographics by authorizing school districts to jointly employ school district superintendents.

Declining demographics found their way into discussions regarding school construction approval. Senate Bill No. 2162 also provided that the Superintendent of Public Instruction may not approve the construction, purchase, repair, improvement, renovation, or modernization of any school building or facility unless the school district proposing the project demonstrates the need for the project, the educational utility of the project, and the ability to sustain a stable or increasing student enrollment for a period of time at least equal to the anticipated usable life of the project, or demonstrates potential utilization of the project by a future reorganized school district.

Senate Bill No. 2162 also allowed school districts to terminate their operations, become nonoperating districts for up to three years, and during the period of "nonoperation" to provide for the education of their students in other school districts. (House Bill No. 1033, which failed to pass the House of Representatives, would have required every school district to offer grade levels 1 through 12, before July 1, 2002, or become attached to a district that does.)

Senate Bill No. 2162 set aside up to \$2 million for school districts whose 1999-2000 fall enrollment was less than their 1994-95 fall enrollment and provided up to \$2 million in bonuses for school districts that reorganized with one or more contiguous districts or portions of districts, provided at least one of the reorganizing districts was a high school district, and further provided that the newly reorganized district consisted of at least 800 square miles.

The 56th Legislative Assembly appropriated \$479,006,259 for foundation aid and transportation payments, \$3.1 million for supplemental payments, \$53,528,217 for tuition apportionment payments, and \$46.6 million for special education payments. The per student payments were set at \$2,145 for the first year of the 1999-2001 biennium and \$2,230 for the second year.

State Demographics - Effects on Education Finance

Over the past two decades, the central United States has experienced a dramatic decline in childbirth. Much of the baby boom

generation has finished having children and their successors have delayed starting families and have chosen to have significantly smaller families. This decline has been especially noteworthy in an area covering 279 counties in six states. The area includes the states of Wyoming and Montana, half of Kansas, approximately three-fourths of Nebraska, and most of South Dakota and North Dakota.

In this state, much of the demographic decline has been attributed to changes in agriculture. What was once a highly labor-intensive industry has become a highly capital-intensive industry. People who at one time resided in rural areas because of their involvement in agriculture had to move elsewhere to take advantage of job opportunities. In 1900 over 90 percent of this state's population resided in rural areas. Today, over two-thirds reside in the 17 "urban" communities having more than 2,500 residents.

In 1960 nearly one-quarter of the state's population was under the age of 10. Today, deaths exceed the number of births in 31 of the state's 53 counties. This decline in population can be seen in relatively short periods of time. In 1990 children under the age of 6 comprised 9.1 percent of the state's population. By 1996 that figure dropped to 7.7 percent. Assuming a continuation of the downward trend in birthrates, coupled with outmigration, the state's kindergarten through grade 12 student population is expected to drop from a 1997 level of 121,708 to 100,152 students by the year 2007.

With these factors as a backdrop, the committee was told that fewer children and fewer taxpayers will affect the number of school closures and school district consolidations in the coming years and will impact educational opportunities for children. Consequently, the committee explored ways in which children can be assured of quality educational experiences.

Teachers

Quality teachers are said to be the single biggest factor in student achievement. To be a quality teacher, one must have a command of the subject matter and have strong pedagogical skills. Quality teachers are produced by quality teacher education programs. Those programs are defined by a similarity of vision between their faculty and administration, a rigorous core curriculum, and the extensive use of problem-based teaching methods.

Teacher education programs in this state require students to take general education courses and a professional core, to have an academic major, and to obtain field experiences that include student teaching. In order to be eligible for licensure, students must complete a baccalaureate degree program. In other states, teacher education programs are five years in length and often include some master's level work. Almost half of all states require a master's degree for full licensure.

Teacher Shortages

As the federal government continues to promote class size reductions, states such as North Dakota are experiencing the effects of teachers moving out-of-state in pursuit of more attractive teaching positions. School districts in the state's lower-income areas are having difficulty recruiting teachers. School districts in all locations are having difficulty finding qualified individuals to teach in the areas of mathematics, science, and music.

During the next six years, 4,500 out of approximately 9,000 teachers are expected to retire. Even though North Dakota teacher education programs produce 600-700 new teachers each year, fewer than half of those graduates elect to remain in this state.

Suggestions to combat the teacher shortage included:

- Increasing teacher salaries, with particular attention to rural communities, the salaries of which are often not competitive with larger urban centers in this state;
- Offering forgivable loans and other incentives to teacher candidates who make a commitment to teach in needed academic areas or in high-need rural areas;
- Supporting teacher mentoring programs, particularly for first-year teachers attempting to make the transition from the expectations of a college-based environment to the expectations of a school system;
- Supporting the efforts of the Education Standards and Practices Board to maintain high standards for teacher licensure, continuing education, and professional conduct; and
- Supporting continuing education for teachers at all stages of their careers.

Administrators

School district administrators are attempting to address similar challenges with respect to recruitment and retention in their profession. Through various associations and organizations, motivational speakers have been invited for the purpose of lending inspiration to students during their preservice programs, to teachers, and to administrators. Early career workshops and aspiring administrator workshops are also offered to induct new administrators into the profession and to encourage teachers to pursue administration as a career move. Participation in instructional leadership classes is also encouraged so that those individuals in administrative roles are better able to develop supervisory relationships with new and experienced teachers. Providing

opportunities for growth, recognition for jobs well done, responsibility, and advancement are promoted as ways of attracting individuals to administration and motivating those individuals to remain in administration.

School Construction

North Dakota has over 21.6 million square feet of school space and 31.2 percent of the total square footage is less than 10 years old; 10.8 percent is between 10 and 30 years old; 41.7 percent is between 30 and 50 years old; and 15 percent is over 50 years old. A recently conducted survey of North Dakota school districts indicated that necessary repairs and maintenance to existing schools would cost in excess of \$421 million. The scope of the projects in the survey included site work (paving and lighting); building exteriors (windows, doors, and exterior walls); roofing; handicapped accessibility (rest rooms, drinking fountains, and elevators); teaching areas (classrooms, laboratories, and music rooms); nonteaching areas (corridors, rest rooms, and media centers); heating, ventilation, and air-conditioning systems; plumbing systems; electrical services; and electrical systems (public address, clocks, and fire alarms).

Under state law, a school district seeking to construct, purchase, repair, improve, modernize, or renovate any public school building or facility must first obtain the permission of the Superintendent of Public Instruction if the effort is estimated to cost more than \$25,000. Although school construction laws have been in effect for over 30 years, it was the 1999 amendments that provided the Superintendent of Public Instruction with review authority. The amendments recognized that school construction projects have consequences for the surrounding districts and for the state at large. For this reason, the statute provides that the Superintendent of Public Instruction cannot approve a project unless the school district proposing it demonstrates the need for the project, its educational utility, and the ability to sustain a stable or increasing student enrollment for a period of time at least equal to the anticipated usable life of the project or could demonstrate that the project could be utilized by a future reorganized school district.

Demographics highlight issues of taxpayer equity with respect to school construction projects. In 1998, 16 counties had fewer than 25 births. There is no expectation this trend will change in the near future. In fact, 18 counties have 80 percent of all school students. Most schools in this state were built to easily accommodate 18 to 25 students per classroom. The smallest high schools now average 4.9 students per classroom and the largest high schools average 16 students per classroom.

School District Consolidation

School district consolidation has an impact on educational offerings, school facilities, teacher salaries, and student transportation. Whether that impact is considered to be positive or negative is largely dependent on the definitions applied to terms such as "small," "rural," "efficiency," "local control," and "quality education." A small school district, depending on the source, may be any district having fewer than 2,600 students. Optimum size high schools are found to be defined as having student populations in a range that is greater than 200 but fewer than 2,400 students. Other sources state that optimum size high schools are any schools having a student population in excess of 400.

Small schools are often defined as having fewer than 400 students. Very small schools are thought to be those having fewer than 100 students. Similarly, rural areas are defined as any place having fewer than 2,500 people, any place located outside a metropolitan area and having fewer than 10,000 people, and every place other than a city of 50,000 or more.

Efficiency is, in simplest terms, thought to mean the provision of basic services at the lowest possible price. More recent definitions add in concepts such as improving student performance at the lowest cost per unit of achievement or maintaining needed services in a rural community.

Local control is described as people at the grassroots level exercising a high degree of control over education without unwanted interference from the state. Researchers have indicated that local control, when defined in this manner, results in legislators being hesitant to adopt drastic changes unless emergency conditions prevail. Local control has a direct spillover effect with respect to definitions of quality education. Many believe that quality education should be defined by local standards. Others argue that the state should set the standards for the provision of quality education and then require every local district to meet those standards. Still others believe a quality education is that which is defined by the predominant practice or by best practices.

Within the parameters of the varying definitions, certain conclusions regarding the effects of school district consolidations have been noted with fair regularity. School district consolidation is believed to result in personnel savings at the elementary level. Significant savings with respect to personnel are not found at the high school level. It appears that as school districts become larger, the salary levels of school personnel become higher.

School district consolidation almost always results in increased class size and increased breadth and depth of curricular offerings. In larger high school settings, there is a tendency toward greater specialization among the teaching staff. Specialization is less pronounced at the elementary level.

With respect to the social aspects of school district consolidation, there is general reliance on anecdotal evidence, in part because empirical data has not been collected. Anecdotal evidence indicates students who graduate from small schools have greater difficulty dealing with the socialization process at the postsecondary level. Within the elementary and high school grades, however, socialization difficulties are not a major factor for the students. The students' parents, on the other hand, appear to have greater difficulty with the social aspects of school district consolidation.

Adults tend to expect they will remain in a community. Students generally do not have such expectations. When a community's school closes, there are no longer the traditional school-related activities. For many communities, losing the social aspect of school activities is a major change. Some maintain that by the time a community is faced with the closure of its school, the reality is that the community has already died, and the old school was merely sustaining the community in a process akin to life support.

The research indicates that the consolidation of school districts has distinct advantages and disadvantages that must be weighed and balanced. One of the questions frequently raised in considerations regarding the advantages and disadvantages of consolidation is how well small schools prepare their students for university level studies. Issues of adequate preparation become that much more significant when the desire to provide schools with a depth and breadth of curriculum offerings is juxtaposed with demographic realities.

Remedial Education

Few issues in education have attracted as much attention in recent years as college level remediation. Concerns are raised about the adequacy of elementary and secondary education, about underprepared freshmen entering colleges, and about the merits of policy initiatives that are expected to help students succeed in college while curtailing or minimizing expenditures for remedial courses.

Remedial courses are not new to higher education in this country. As early as 1874, Harvard University offered special courses to freshmen students having deficient writing skills. By the 1930s, most colleges had remedial reading courses and study skills centers. By 1998, 78 percent of American colleges and universities offered remedial courses to students.

Institutions in this state offer refresher mathematics, prealgebra, beginning algebra, intermediate algebra, pretrigonometry, reading, writing, basic English, speech improvement, communication, speed reading, vocabulary, technical vocabulary, medical vocabulary, college studies, applied study skills, listening/memory skills, basic biology, prechemistry, keyboarding, computer preparation, and writing and computer laboratories. During the fall of 1999, 2,300 students were enrolled in 141 remedial sections. During the spring of 2000, 1,115 students were enrolled in remedial sections.

Students may find themselves in a remedial class as a result of classes not taken during high school or as a result of placement test scores. Some of the students in remedial classes are self-referrals. Nontraditional students often use a remedial course as a refresher course.

During the 1998-99 school year, statistics prepared by the North Dakota University System indicated that 212 students graduated from high schools having fewer than 75 students, 605 students graduated from high schools having 75 to 149 students, 3,954 students graduated from high schools having 150 to 549 students, and 4,828 students graduated from high schools having 550 or more students. Thirteen percent of students in remedial mathematics came from schools having fewer than 75 students; 20 percent came from high schools having 75 to 149 students; 18 percent came from high schools having 150 to 549 students; and 48 percent came from high schools having 550 or more students.

Ideal Number of School Districts

Fifty years ago, there were 2,200 school districts in this state. Today, only 227 are operational. Of those school districts, 122 have fewer than 75 students in high school. Those smallest districts encompass 40 percent of the state's land mass and educate nine percent of the state's students. It is estimated that by the year 2005, 139 districts will have fewer than 75 students in high school and by the year 2010, 147 districts will have fewer than 75 students in high school. The number of districts having at least 75 students in high school are quite uniformly spread across the state, but by the year 2005, that uniformity will be lost, and by the year 2010, extreme sparsity is expected.

Nearly 70 percent of all North Dakota school districts encompass fewer than 380 square miles. Those districts have a circle radius of 11 miles or less. Only one district has a land mass in excess of 1,200 square miles. If the state were to maintain an 11-mile radius, 185 school districts would be needed. If the state were to maintain a 15-mile radius, 99 school districts would be needed. If the state were to maintain a 20-mile radius, 56 school districts would be needed. If the state were to maintain a 25-mile radius, only 36 school districts would be needed.

Using objective data, the act of identifying an ideal number of school districts would begin with the designation of 65 schools as

"centers." These centers would be the 65 largest school districts, and each would have a high school population of at least 120 students. Other districts would be affiliated with the nearest centers. Additional districts would be added to ensure that none of the centers would be more than 25 miles from any satellite schools. Using this arrangement, the number of North Dakota school districts would be reduced from 227 to 104. Once actual roads were factored into the equation, a few more districts might possibly have to be added.

Committee Considerations

The committee considered a bill draft that would have raised state income tax rates for the purpose of increasing teacher salaries. Individual income tax rates would have been increased from 14 percent of federal income tax liability to 15.6 percent and would have generated an additional \$21.4 million for distribution to school districts during each year of the biennium. The additional moneys would have amounted to an annual payment of approximately \$200 per student and would have been available only for the purpose of providing salary increases. A second version of the bill draft provided that the moneys generated could be used for both teacher salaries and benefits as determined by the school boards.

Because sales taxes are imposed by so many cities, proponents of the bill draft argued that an income tax is the only real source of additional revenue available to school districts. An income tax, it was said, is more fair because, unlike a sales tax, people with insufficient incomes are not required to pay the tax. Proponents stated that there is a constitutional obligation to provide a free, uniform, public education. They argued that if local districts are not willing to develop efficiencies, it is up to the state to provide for the students until such time as the districts are comfortable making alternate plans for the education of their students. They reiterated the need for qualified teachers at every step of the educational process, and they reiterated the need to raise the level of teacher salaries so that this state can be competitive with other states in the recruitment and retention of teachers.

Opponents suggested that it was conceptually difficult to offer all districts the benefit of an increased state tax when taxing levels among the districts show significant variation in local effort. Residents of some school districts in this state choose to tax themselves at a much higher level than residents of other districts. This level of local effort places the higher taxing districts in a better position to pay their teachers larger salaries.

The committee was not certain whether librarians, guidance counselors, and special educators, among others, should be considered "teachers" for purposes of the draft's proposed salary increase. The committee was concerned that a bill draft mandating a specific use of tax dollars eliminated a school board's decisionmaking flexibility and created uncertainty with respect to the collective bargaining process. Finally, the committee was uncertain whether districts that are financially able to pay higher teacher salaries but elect not to do so should benefit under the proposal.

Conclusion

The committee makes no recommendation as a result of its study of the provision of education.

SPECIAL EDUCATION STUDY

Background

Over four decades ago, a group of individuals interested in education in this state recognized that a number of children in the educational system were unable to benefit from the existing educational services. These children were "exceptional children," and a citizens' committee was formed for the purpose of encouraging the establishment of an aid program that could direct special attention to such children in order that they might overcome their special problems and become productive citizens.

The citizens' committee persuaded a Legislative Research Committee to recommend the passage of House Bill No. 540 (1951). Exceptional children were defined as "educable children under the age of twenty-one whose educational needs are not adequately provided for through the usual facilities and services of the public schools, school districts, or state institutions because of physical, mental, emotional, or social conditions" Special education was defined as "the provision of facilities, instruction, supervision, and other necessary services not otherwise provided such children in the public schools and institutions."

As part of the 1951 legislation, an Advisory Council on Special Education was created. Its membership included the Superintendent of Public Instruction, the State Health Officer, the director of the Division of Child Welfare of the Public Welfare Board, the director of the Division of Vocational Rehabilitation of the State Board of Higher Education, the superintendent of the state School for the Deaf, the superintendent of the state School for the Blind, and the superintendent of the Grafton State School. The advisory council's task was to establish a general state policy regarding special education and to ensure the development of a cooperative special education program characterized by the coordination of all available services. The director of special education, who was employed by the Superintendent of Public Instruction, was in turn directed to "assist the school districts of the state in the inauguration, administration, and development of special education programs, establish standards and provide for the approval of certification of schools, teachers, facilities, and equipment."

Larger than ordinary per student payments were required to be made to school districts offering special education programs. The 1951 Report of the Legislative Research Committee stated that increased payments were deemed warranted because "education of this type requires individual and special attention, and it is not always possible to conduct it in classrooms where a large number of children can come together."

The appropriation for special education during the 1951-53 biennium was \$50,000. By the 1959-61 biennium, the appropriation had risen to \$365,000 and so had the number of children served--from 472 in 1951 to 3,055. It was estimated that as many as 15,000 children, or roughly 20 percent of all schoolchildren, would benefit from special education services.

A 1959-60 interim study by the Legislative Research Committee cited three main problems associated with the delivery of special education--a lack of space for instruction, a shortage of trained personnel, and inadequate funds. It was the opinion of the interim committee that if a substantially increased special education program were to be provided, it would have to be financed primarily from funds by local governments and not the state. The committee also found that county level special education programs would be the most desirable from a financial perspective and would best utilize the available personnel and facilities. Because many school districts did not have enough special needs children to warrant their own programs, the committee suggested a county board of special education should be given the authority to contract with multiple districts for the delivery of special education services.

In response to the recommendations of the interim committee, the 37th Legislative Assembly enacted legislation authorizing the establishment of county boards of special education. The boards of special education were to be funded by the boards of county commissioners out of county general funds or, if approved by a majority of the county electorate, by a county special education levy in an amount up to three mills.

For the next 12 years, the state's delivery system remained structurally unchanged. However, in 1973, the Legislative Assembly required all school districts to submit a plan for implementing special education services to the Superintendent of Public Instruction by July 1, 1975. As a result of this mandate, there was considerable growth in the provision of special education services to exceptional children. Some of the school districts extended their programs while others implemented programs for the first time.

Federal Law

While North Dakota was implementing its special education program, Congress enacted legislation that mandated the provision of special education to all children with disabilities. The 1975 legislation was known as the Education for All Handicapped Children Act. In the legislation, Congress articulated the following findings:

1. There are more than eight million children with disabilities in the United States;
2. The special education needs of such children are not being fully met;
3. More than one-half of the children with disabilities do not receive appropriate educational services that would enable them to have full equality of opportunity;
4. One million of the children with disabilities are excluded entirely from the public school system and will not go through the educational process with their peers;
5. There are many children with disabilities participating in regular school programs but failing to have successful educational experiences because their disabilities are undetected;
6. Because of the lack of adequate services within the public school system, families are often forced to find outside services, often at great distance from their residences and at their own expense;
7. Developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, state and local educational agencies can and will provide effective special education and related services to meet the needs of children with disabilities;
8. State and local educational agencies have a responsibility to provide an education for all children with disabilities, but present financial resources are inadequate to meet the special educational needs of children with disabilities; and
9. It is in the national interest that the federal government assist state and local efforts to provide programs that meet the educational needs of children with disabilities to assure quality protection of the law.

Sixteen years later, Congress reauthorized the Education for All Handicapped Children Act and gave it a new name--the Individuals With Disabilities Education Act. Congress also updated its findings and rationale for the legislation. Congress stated that disability is a natural part of the human experience and in no way diminishes the right of individuals to participate in or contribute to society. Improving educational results for children with disabilities is an essential element of our national policy of ensuring equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities.

Because Congress found that there had been shortcomings in the way children with special needs were being educated, Congress suggested that:

1. We hold out high expectations for such children and ensure their access to the general curriculum;
2. We strengthen the role of parents and ensure that families of such children have meaningful opportunities to participate in the education of their children;
3. We coordinate federal special education law with other local school improvement efforts to ensure that special needs children benefit from such school improvement efforts;
4. We think of special education as a service for children rather than a place where they are sent;
5. We support high-quality, intensive professional development for all personnel who work with special needs children; and
6. We focus on teaching and learning rather than on paperwork and on requirements that do not assist in improving educational results.

With respect to the purposes of the Individuals with Disabilities Education Act, Congress maintained its initial premises of ensuring that "all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepares them for employment and independent living" and that "the rights of children with disabilities and parents of such children are protected." Another provision that remained unchanged in the reauthorization regarded the maximum grant amount to which a state is entitled--40 percent of the average per student expenditure in public elementary and secondary schools in the United States.

Special Education in North Dakota

During the 1998-99 school year, 13,181 students (10.8 percent of the total school population) received special education services in this state. Approximately 80 percent of the special education students were diagnosed as having mild learning problems and were categorized as speech-language impaired or learning disabled. These students spent the majority of their schooldays in general education and, if needed, received support services within that setting. The remaining 20 percent of the students fell into one or more disability categories that included orthopedic impairments, visual and hearing impairments, mental retardation, and emotional disturbances.

During the 1997-98 school year, expenditures for special education (\$67,791,650) amounted to 11.2 percent of the total kindergarten through grade 12 expenditures (\$604,534,506). Federal funds constituted 8.56 percent of the total expenditures, state funds constituted 28.62 percent, and local funds constituted 62.82 percent.

For the 1999-2001 biennium, the Legislative Assembly appropriated \$46.6 million for special education. Of that amount, \$11.5 million was to be used to reimburse school districts or special education units for excess costs they incurred on student contracts, and \$400,000 was to be set aside for gifted and talented programs. Funds were to be distributed on a per student basis. The Legislative Assembly also changed the reimbursement for excess costs to provide that a school district is responsible for two and one-half times the state average per student cost plus 20 percent of all remaining costs and that the state is liable for "eighty percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose."

The committee was told that during the 2001 legislative session, efforts would be made to seek a level of funding for student contract expenditures similar to that of the 1999-2001 biennium. The committee was also told that a concerted effort would be made to close the gap between state and local expenditures for special education by at least one-third.

Conclusion

The committee concluded the greatest part of the difficulty regarding special education funding stems from the federal government's failure to shoulder its percentage share of special education costs. The committee makes no recommendation regarding special education.

ACCREDITATION STANDARDS STUDY

School Approval Requirements

State law requires that each public and nonpublic school offering elementary or secondary education be approved by the Superintendent of Public Instruction. The Superintendent may not approve a school unless:

1. Each classroom teacher is licensed to teach by the Education Standards and Practices Board;
2. The students are offered all subjects required by law; and
3. The school is in compliance with all local and state health, fire, and safety laws.

Approved public schools are eligible to receive foundation aid payments. However, the per student amount for each approved school that is not accredited must be \$200 less than that paid to accredited schools.

Accreditation can be obtained from the Superintendent of Public Instruction in accordance with NDCC Section 15.1-02-11, which provides that the Superintendent of Public Instruction may adopt rules governing the accreditation of public and nonpublic schools.

School Accreditation Requirements

Requirements for the accreditation of schools are found in North Dakota Administrative Code Section 67-19-01-01, et seq. There are five levels of accreditation:

1. "Accredited with commendation," which involves participation in the four phases of the state school improvement process, i.e., planning, self-study, team visitation, and followup;
2. "Accredited," which requires that a school meet all the required standards and criteria, accrue 85 percent of the total point values assigned to the optional standards and criteria that apply to the school, and achieve at least 50 percent of the point values assigned to sections governing administration, instructional personnel, instructional programs, student evaluations, student personnel services, library media services, and school policies;
3. "Accredited warned," which means that a school has been cited on a required criterion, that a school has obtained less than 85 percent of the points assigned to the optional standards and criteria, or that the school has obtained less than 50 percent of the points assigned in any one section;
4. "Not accredited," which means that a school does not meet the qualifying standards and criteria or that the citations issued for the previous years have not been removed; and
5. "Nonclassified," which means that a school is not seeking accreditation.

Schools are reviewed annually to determine whether they comply with the accreditation rules. If a school has been cited as being in violation of the accreditation rules, the school is given until March 31 of the following school year to remedy the deficiency. Thereafter, the school loses accreditation. Optional standards and criteria are reviewed on a two-year cycle. A school must accrue 85 percent of the total points and achieve at least 50 percent of the point value assigned in each section in order to become and remain accredited.

Any appeals regarding a school's accreditation status are decided by the State Accreditation Committee. This committee consists of members appointed by the executive boards of the North Dakota School Boards Association, the North Dakota Council of Educational Leaders, the North Dakota Association of Elementary School Principals, the North Dakota Association of Secondary School Principals, the North Dakota Education Association, and the North Dakota Association for Supervision and Curriculum Development.

Requirements for school accreditation have been organized into the following eight categories:

1. "Administration," which includes qualifications and time assignments for superintendents, assistant superintendents, curriculum or instructional directors, principals, and assistant principals;
2. "Instructional personnel," which includes teacher certification, general preparation, specific subject area preparation, professional growth, and professional development plans;
3. "Instructional programs," which includes written plans for curriculum assessment, development, implementation and evaluation, minimum units of credits to be taught annually, required courses, elective courses and cooperative courses, the use of study halls, and standards for class size and teacher preparation time;
4. "Library media services," which includes the scope of services, school library media personnel qualifications and time assignments, and library expenditures per student;
5. "School improvement," which includes a requirement for written mission statements, school evaluations, improvement plans, and progress reports;
6. "School policies," which includes teacher handbooks, student and parent handbooks, written attendance requirements, and written school board policies regarding the promotion and retention of students;
7. "Student evaluations," which includes written programs for the utilization of standardized test scores and other evaluative data; and
8. "Student personnel services," which includes the coordination and provision of counseling and guidance services, social and psychological services, health services, and counselor qualifications and time assignments.

Accreditation requirements have historically been input-based. If a school complied with the requisite number of requirements, the school was deemed to be worthy of accreditation. In recent years, however, a new line of thinking has evolved. Meeting accreditation requirements, while significant, has been found lacking in several major respects. Accreditation requirements fail to specifically address the content that students are being taught, how students are being taught, and whether students are learning that which they are being taught. Accreditation requirements make no provisions for the assessment of students based on that which they are taught. For these reasons, the committee chose to focus not on accreditation requirements but rather on the development of standards and assessments.

Conclusion

The committee makes no recommendation as a result of its study of accreditation standards.

STATEWIDE ACADEMIC STANDARDS STUDY

Background

The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people. . . . We have, in effect been committing an act of unthinking, unilateral educational disarmament.

The above quote is taken from a 1983 report by the National Commission on Excellence in Education--A Nation at Risk. The report, which is viewed by many as the initiating event of the modern standards movement, prompted widespread concerns about the educational preparation of our youth. Reacting to the report and the concerns it raised, then President Bush and the nation's governors met at the Charlottesville Education Summit and proceeded to establish six broad goals for education that were to be reached by the year 2000. Among the six goals were the following:

- That American students will leave grades 4, 8, and 12 having demonstrated competency in challenging subject matter, including English, mathematics, science, history, and geography; and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy.
- That American students will be first in the world in science and mathematics achievement.

The goals were again articulated in then President Bush's 1990 State of the Union Address. In response, Congress established the National Education Goals Panel and the National Council on Education Standards and Testing and charged these two groups with addressing unprecedented questions such as the subject matter to be addressed, the types of assessments to be used, and the standards of performance. National subject matter organizations began to develop standards in their respective areas. By the mid-1990s, 48 states were involved in some level of standards development.

Americans . . . expect strict standards to govern construction of buildings, bridges, highways, and tunnels; shoddy work would put lives at risk. They expect stringent standards to protect their drinking water, the food they eat, and the air they breathe Standards are created because they improve the activity of life. National Standards in American Education: A Citizens Guide (1995).

Former Assistant Secretary of Education Diane Ravitch asserts that just as standards improve the daily lives of Americans, so too will they improve the effectiveness of American education. "Standards can improve achievement by clearly defining what is to be taught and what kind of performance is expected." Id. A number of recent surveys indicate that most Americans strongly support higher standards that are clear and specific. To date, however, no consensus has emerged with respect to what form standards should take nor how they should be used. The definitional confusion can be illustrated using the following three standards from the same document.

- Students use estimation to check the reasonableness of results.
- Students recognize and appreciate geometry in their world.
- Students use mathematics in other curriculum areas.

The first example describes a skill or an ability that a person might use to solve a real-life problem. When at the gas pump, a person might use estimation to determine whether the total generally squares with the price per gallon multiplied by the number of gallons pumped. The second example does not describe a commonly used skill. Not many day-to-day situations require an ability to recognize and appreciate geometry. The second example is more of a curricular goal--a perspective that a student might acquire as a consequence of successfully completing a study of mathematics. The third example is not a student knowledge or skill but rather a recommendation regarding the development of the curriculum to work in concert with mathematics instruction.

Standards and Assessments in Other States

Any existing confusion or disagreement regarding the form and use of standards has not served to either slow the development and implementation of standards nor their inherent offshoots--assessments and accountability. Forty-eight states engage in some form of student testing, and 36 states publish annual report cards. Nineteen states publicly rate the performance of all their schools or at least identify low-performing schools. Sixteen states have the power to close, take over, or overhaul chronically failing schools. Fourteen states provide monetary rewards for individual schools based on performance. Nineteen

states require students to pass state tests as a condition of high school graduation.

Discussions regarding assessments and accountability also have inherent challenges. What is the best way to measure student performance? Should a high school senior be denied a diploma if the student does not pass a state test? What should be done with a school that consistently fails to show improvement? When is it time to close a failing school? Approaches to standards and accountability generally take one of two forms. The first line of thinking is that schools and students will improve if they are given enough resources, support, information, and encouragement. The second line of thinking is that in order for schools to improve, they need a substantial, external push. Texas and Connecticut are two of six states whose fourth and eighth graders have shown recent improvements in their National Assessment for Educational Performance mathematics scores.

Texas epitomizes the hard-line approach. Schools and districts can receive cash awards for exemplary student performance but are subject to intervention and ultimate takeover if achievement falls below minimum standards. High school students must pass state tests to graduate. Education schools lose their accreditation if too many of their graduates fail teacher licensing exams. For the first time last year, an evaluation system linked teachers' appraisals to schoolwide test scores.

Connecticut relies on a more low-key approach. The state publishes report cards on every school and includes the school's performances on statewide tests. It also gives grants to districts that have shown substantial progress over time. There are, however, no explicit sanctions for schools that fail to make progress. Connecticut has drafted new standards for teacher licensure, raised pay for beginning teachers, and financed a teacher mentoring program.

Early Standards and Assessments in North Dakota

Section 2 of Article VIII of the Constitution of North Dakota directs the Legislative Assembly to provide for a "uniform system of free public schools throughout the state," and Section 4 directs the Legislative Assembly to "take such other steps as may be necessary to prevent illiteracy" and "secure a reasonable degree of uniformity in course of study. . . ." Neither the state's Constitution nor its statutes, however, reference what students should know and be able to do.

During the 1940s, North Dakota had a state-driven curriculum. With the passage of time and advancements in publishing, the state-driven curriculum was replaced by a textbook-driven curriculum. Textbooks, however, are directed toward meeting the needs of large user states such as California and Texas. What North Dakota schoolchildren were being taught depended on which textbooks were purchased. This allowed for no predetermined continuity from school to school nor even from grade to grade within the same schools. It was not until 1993 that the state began to identify what global skills graduates should be able to demonstrate. These early efforts came in an environment that defined graduation criteria in terms of courses completed and assumed that competencies were acquired if the courses were completed.

Before the 1990s, the Superintendent of Public Instruction published curriculum guidebooks for each subject area. The guidebooks included extensive detail for the development of a subject area's curriculum and often even included lesson plans. Over time, the curriculum guidebooks fell into disuse. Their extensive detail was considered burdensome by school districts and gave the impression to some that the state was too concerned with what should otherwise be a local concern--curriculum design. The decision was made to replace the guidebooks with smaller, leaner documents that outlined general areas of competence.

In 1993 the Superintendent of Public Instruction released the North Dakota Curriculum Frameworks. The frameworks focused generally on 10 subject areas. While the frameworks offered a practical guide to the field's request for content guidance, they were soon found to be lacking in the area of performance indicators. About the same time the North Dakota Curriculum Frameworks were disseminated, the trend nationally moved toward having more clearly defined content standards that would identify, clarify, and prioritize learning. The Superintendent then began to develop content standards in key subject areas. English language arts was the first area to have content standards developed. Thereafter, content standards were developed for mathematics, science, social studies, the arts, and health.

Components of a Content Standard

A content standard consists of a standard, a benchmark, specific knowledge items, and performance activities. A standard is a single concise statement that identifies what students should know and be able to do. Global in nature, standards establish broad categories of knowledge or skill required of students within a subject area.

A benchmark is the translation of a standard into what students should understand and be able to do at a developmentally appropriate level, such as grades 4, 8, and 12. Benchmarks take broad content areas and break them into smaller, measurable knowledge and skill units. Whereas a standard might require students to gather and organize information, the grade appropriate benchmarks might require students to use simple organizational strategies, use appropriate reference tools, and understand the main idea and supporting detail.

Specific knowledge items support the standards and benchmarks by clarifying their intent. They often include lists of associated issues that further embellish and specify the otherwise general standard statements. In using organization strategies and appropriate reference tools, students might have to deal with sequence patterns, lists, problem/solution patterns, story maps, and parts of a story such as the introduction, body, and conclusion, etc.

Performance activities offer additional assistance to users by illustrating standards, benchmarks, and specific knowledge items in terms of tangible, real-life scenarios. In dealing with sequence patterns, lists, problem/solution patterns, story maps, and the parts of a story, students might have to use a variety of reference tools to research the history of a particular era and use information gathered from the various reference material to create a timeline depicting the main events.

Process for Content Standards Development

Responsibility for the design and implementation of content standards in North Dakota rests with the Standards, Assessments, Learning, and Teaching team. All team members are North Dakota educators and are appointed by the Superintendent of Public Instruction. Team members work according to established protocols that call for reviews of National Curriculum Association documents, other states' standards, and various best-practice publications. The team is assisted by the State Curriculum Council. This council consists of approximately 40 curriculum specialists. The council's purpose is to provide advice and guidance to the team on all matters related to curriculum development.

Once the Standards, Assessments, Learning, and Teaching team has proposed the content standard, the Superintendent of Public Instruction appoints representatives from school districts statewide, with the recommendation of the team, to develop the remaining components of the final content standards document. These representatives work as subject writing teams.

Upon completion of the content standards, the team conducts a final review to ensure that the standards meet protocol requirements. The team then recommends adoption of the standards to the Superintendent of Public Instruction. Once approved, content standards are distributed to local districts for their use.

Up to this point, content standards have been voluntary. Districts are free to implement the content standards, develop their own standards, or teach without any standards. If, however, a district elects to use the state content standards, the district appoints local curriculum development teams to prepare local curriculum guides. These guides are to be more detailed than the state content standards, and they are to be designed with the uniqueness of the district in mind.

Assessments and Accountability

The development of content standards is geared to clarifying assumptions and identifying goals for education. Content standards articulate what is wanted for children, what children need to know and be able to do, and how the state sees its responsibility to students.

North Dakota students have historically demonstrated high levels of student performance when compared to the national norms. However, when North Dakota students take the National Assessment of Educational Performance test and are evaluated in terms of standards of expected learning, approximately 70 percent of the students score below the expected levels of proficiency.

This level of subproficient performance highlights the need to hold the educational system accountable for providing clear, comparable educational opportunities to all students, clarifying what level of proficiency means in the state, providing meaningful ways to measure student performance overall, and reporting performance results to the parents and taxpayers.

The link between content standards and meaningful assessments is the identification of performance standards--measures by which students are assessed against the content standards. In the past, any assessment of students has been based on random test items, without any reference to a set standard of knowledge. If performance standards are developed and implemented, a school obtains a meaningful way of assessing not only the performance of students against standards, but also a means of assessing the performance of schools with a view to improving their educational efforts. Students would be held accountable based on set standards, and schools would be held accountable based on set standards.

Committee Considerations

The committee reviewed two bill drafts. One bill draft required the Superintendent of Public Instruction to develop state academic content standards, applicable to grades 4, 8, and 12, in all core subject areas; to distribute the content standards to all public and nonpublic schools in the state; and to ensure that the content standards would be revised at least once every five years.

Before the beginning of the 2002-03 school year, each school district and each nonpublic school was to adopt the state academic

content standards in the areas of mathematics, English language arts, science, and social studies, or adopt or develop their own academic content standards applicable to the stated areas. If a school district used content standards other than those provided by the state, the content standards would have to be equal to or more rigorous than the state standards. This determination was to be made by the Superintendent of Public Instruction.

Before the beginning of the 2003-04 school year, each school district and each nonpublic school would have to adopt the state academic content standards applicable to grades 4, 8, and 12, in the areas of health, the arts, physical education, world languages, and technology. As with the earlier standards, a school or school district could adopt or develop its own standards.

Beginning with the 2002-03 school year, each school district and nonpublic school was directed to adopt or develop curricula for grades 4, 8, and 12, which are aligned to the academic content standards in mathematics and English language arts. Beginning with the 2003-04 school year, each school or school district was directed to adopt or develop curricula for grades 4, 8, and 12, which are aligned to the academic content standards in science and social studies. Beginning with the 2004-05 school year, each school or school district was required to adopt or develop curricula for grades 4, 8, and 12, which are aligned to the academic content standards in health, the arts, physical education, world languages, and technology.

The other bill draft, which dealt with content standards and assessments, would have included all the requirements of the first draft and would have provided that the Superintendent of Public Instruction would develop and make available student assessments for English language arts and mathematics. The stated purpose of the assessments was to measure student knowledge and assist in determining whether the schools are meeting the academic expectations set forth in their school improvement plans. By the beginning of the 2002-03 school year, each school and school district was to have an assessment plan in place. Each school and school district was given the responsibility for publishing the results of its student assessments.

The enforcement mechanism for both bill drafts was initially the accreditation process. The committee, however, determined that if content standards and assessments were concepts worthy of application to accredited schools, they should be worthy of application to all schools. Consequently, the committee determined that the enforcement mechanism for both bill drafts should be the school approval process. Thereafter, the committee dealt with the separate concepts of standards and assessments.

Proponents of the second bill draft indicated that setting forth in clear and concise terms what a student needs to know and be able to do and, in addition, providing valid methods of assessing students are hallmarks of quality schools. They indicated that content standards need to be accompanied by appropriate assessments or methods of measuring student progress. They said to do otherwise defeated the intent of ensuring that every North Dakota student would have access to an ordered, appropriate, and quality educational experience. Opponents argued that North Dakota students have very high achievement rates, despite not being subjected to mandatory state standards and assessments. They suggested that assessments have absolutely nothing to do with improving student achievement or improving student learning. They also indicated that schools and school districts would need significant funding for professional development in order to ensure that any mandated standards and accompanying assessments would be properly understood and implemented.

Recommendation

The committee recommends [Senate Bill No. 2036](#) to require the development and phased-in implementation of state academic content standards for all core academic areas. The standards would be applicable to grades 4, 8, and 12. The committee was concerned that the costs and mechanics of implementing a statewide system of assessments was not known with certainty and that, consequently, the financial impact to districts could not be known with certainty. The committee, however, determined that requiring the phased-in implementation of content standards for all core academic areas was an important first step in ensuring educational quality for all North Dakota students.

CONTENT OF FINANCIAL REPORTS - TRANSFER OF MONEYS FROM SCHOOL DISTRICT FUNDS

School districts in North Dakota are required to provide reports to the Superintendent of Public Instruction through a uniform accounting system. If reports are not presented in a timely fashion, the Superintendent is authorized to withhold foundation aid payments until the reports are forthcoming. Because accounting methods have inherent flexibility, the Superintendent has attempted to standardize the reports by developing various accounting manuals. The first such manual dates back to 1979. In recent years, attempts have been made to update and otherwise revise the manual. Testimony indicated that the Superintendent is in a position only to encourage compliance with the accounting requirements set forth in the manual. To have greater oversight, and consequently greater consistency, the Superintendent indicated that he would need to have statutory authority allowing for an audit function and an accompanying increase in department staff.