

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2032

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Operator's Signature

*LaCosta Rickford*

Date

*10/15/03*

2003 SENATE EDUCATION

SB 2032

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10/15/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2032

Senate Education Committee

☐ Conference Committee

Hearing Date 01-13-03

Tape Number	Side A	Side B	Meter #
1	x		25.9- 51.0
Committee Clerk Signature <i>Andrea Johnson</i>			

Minutes: Chairman Freborg called the committee to order. Roll call was taken with all (6) members present.

Chairman Freborg opened the hearing on SB 2032 which provides an appropriation for the data envelopment analysis project.

**Testimony in support of SB 2032:**

Tom Decker, Director School Finance and Organization, DPI, presented testimony. (see attached)

Senator G. Lee asked if an analysis is done by a school district, would that district be bound to follow the analysis or would it be an option. Mr. Decker stated the data would have to be analyzed and on a statewide basis.

Senator Flakoll asked if there is a time frame. Mr. Decker stated the best process would be to develop a payment proposal with annual updating or review.

Page 2

Senate Education Committee

Bill/Resolution Number SB 2032

Hearing Date 01-13-03

Senator Flakoll asked if any other programs elsewhere have been looked at and if there was an improvement. Mr. Decker said North Carolina did this in the mid-90's and DPI would have the figures from this.

Senator Cook stated some people believe the current formula for reimbursing schools for busing is what leads to the inefficiency. If the legislature would change how school districts are reimbursed, legislation would be required that would have to be dealt with next session and this project would probably need to be done in order for there to be legislation.

Senator Freborg asked Tom Decker to explain the current formula for reimbursement for transportation costs to schools. It is .67 cents per mile for large buses, .25 cents per mile for small buses plus .40 cents a day per student riding the bus in the country with a different rate for those in the city. They also pay .67 cents per mile for non-conforming vans plus the per student payment. There is kind of "honor system" for the school to report the routes of their buses and the number of students on each.

Senator Freborg thought that when this program is complete, DPI would determine the amount to pay each district by the number of miles driven and then they would reimburse. Mr. Decker stated they could use the GIS system from the Dept. of Transportation or DPI could take a group of like schools with like distances to travel and pay per mile costs on an average. This would eliminate the "honor system". Senator Freborg thought that was the purpose of this whole program, to eliminate the "honor system".

Senator G. Lee asked if this request for \$50,000 is just for transportation or if it is for other things. It is just for transportation costs.

Page 3

Senate Education Committee  
Bill/Resolution Number SB 2032  
Hearing Date 01-13-03

Mr. Decker stated this is the third appropriation for this program. There is already \$150,000 - \$200,000 put into this. The issue on all of this is the ride time and keeping that time to a minimum.

Senator Christenson asked if this would be the last time DPI would ask for money for this program. Mr. Decker stated yes.

Senator Cook mentioned there is a \$36 million appropriation to the school districts for transportation per biennium.

Senator Cook stated he sees three choices for the legislative body to find efficiencies in transportation; 1. Leave it the way it is right now 2. Pursue this type of model 3. Get the state out of this and perhaps put the \$36 million in foundation aid and let the local districts administer it themselves.

Senator Freborg feels there is a fourth choice and that would be to streamline what is being done now and make it more efficient.

**There was no opposition to this bill.**

**Hearing on SB 2032 closed.**

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2032

Senate Education Committee

☐ Conference Committee

Hearing Date 01-14-03

Tape Number	Side A	Side B	Meter #
1	x		8.8 - 11.5
Committee Clerk Signature			

Minutes: Chairman Freborg called the committee to order. Roll Call was taken with all (6) members present.

Senator Cook moved a DO PASS and rerefer to Appropriations. Seconded by Senator Christenson.

Roll Call Vote: 6 YES. 0 NO. 0 Absent.

Carrier: Senator G. Lee

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LaCosta Rickford

10/15/03

Date

Date: 1/14/03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2032

Senate EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen. Cook Seconded By Sen. Christenson

Senators	Yes	No	Senators	Yes	No
LAYTON FREBORG, CHAIR.	✓		LINDA CHRISTENSON	✓	
GARY A. LEE, V. CHAIR.	✓		RYAN M. TAYLOR	✓	
DWIGHT COOK	✓				
TIM FLAKOLL	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. G. Lee

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

**REPORT OF STANDING COMMITTEE (410)**  
January 14, 2003 1:18 p.m.

Module No: SR-06-0530  
Carrier: G. Lee  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
SB 2032: Education Committee (Sen. Freborg, Chairman) recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2032 was rereferred to the Appropriations Committee.

(2) DESK, (3) COMM

Page No. 1

SR-06-0530

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2003 SENATE APPROPRIATIONS

SB 2032

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*La Costa Rickford*

Date

*10/15/03*

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2032

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 1-21-03

Tape Number	Side A	Side B	Meter #
2		X	3865- end
3	X		0-162
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: (Meter 3711) Chairman Holmberg opened the hearing to SB 2032. (Meter 3877) Tom Decker, Director School of Finance and Organization: See written testimony Exhibit 1. (Meter 4543) Senator Andrist: The prospect of spending 50 thousand doesn't bother me as much as my skepticism that you can feed that into a computer and really establish peer groups that are the same, because every district is so fundamentally different from one another. Couldn't you just as easily develop a better transportation model in the department without a sophisticated computer analysis that would provide some incentive? To streamline their sufficiencies? (Meter 4662)

Tom Decker: I don't know the answer to that, we have tried a variety of systems, we have looked at transportation reimbursement based on sparsity, density, large district with a lot of miles and few students, we talked about rolling the transportation money into foundation aid program and paying out to districts as general aid and letting them do transportation the way they want. The legislature has not seen it fit to adopt any of these and school districts oppose. Most of them would be opposed to this. (Meter 4831) Senator Kilzer: How much money was spent on the study

Page 2

Senate Appropriations Committee

Bill/Resolution Number SB 2032

Hearing Date 1-21-03

a couple of blennium before? We're hopefully of a considerable consolidation in the not too distant future, how would that effect the bus routes? (Meter 4897) Tom Decker: We have appropriations since the early '90. The first one was to develop school maps. We did that. The second one was to refine that process and to develop routing analyses capabilities and at the end of that process we did take a fresh look at data envelopment analysis but that was not in the study and we did not have time to study it. Consolidation, we talked at great length last summer about a 62 district scenario, I think in a 62 district scenario some of the transportation problems would resolve themselves in the sense we would have a lot fewer administrative organizations running transportation operations. The fundamental problem with the current system of not providing any basis for efficiency would still be, even with larger districts the incentives with the reimbursement program are such that there is no push to efficiency. So at least half of the problem would still be, once we get this program established my understanding is that we can do an annual analysis and updating on peer group relatively easy. So it stays current and if we change districts, we would certainly need to do that. (Meter 5199) Senator Mathern: Is this bill something you and your department support? Or are you hear basically because the education committee interim wanted this bill here? (Meter 5264) Tom Decker: We want to do this study and we are sure the interim committee is also convinced that we need a more cost effective payment basis for transportation. The fact that school districts might resist a change in the reimbursement system should not surprise any of us. If the current system is serving them well providing a source of cash or money to cover cost of other operations, why would they want to change? If we are serious about being fiscally prudent and pushing as many dollars spent in the educational realm toward the classroom, we need to do this. (Meter 5375)

Page 3

Senate Appropriations Committee

Bill/Resolution Number SB 2032

Hearing Date 1-21-03

Senator Bowman: What would stop you from setting up each school district road map for busing and allow them a bonus for every dollar they save for redoing their busing system within their districts. Every dollar they save, you give them an incentive of fifty cents. These people know their routes, they know the size buses they use, if there was an incentive, you would think they would want to do that. If they could save money and be rewarded for that. We wouldn't need a study on that, they already know where their bus routes are, they sit down and would look at where they think they could be cost effective and if they save the state a dollar, give them fifty cents back. Within about 5 of these cycles, there probably going to be about as efficient as they can get. (Meter 5530) Tom Decker: Two aspects of that: I wish transportation reimbursement and get efficiency district and district was as straight forward as you portray. I don't think that it is. There are too many examples out there in my experience, I have been traveling around ND going to school districts since about 1980. Too many incidences of big disparities and the kind of equipment that they have. I can think of one district who drives a series of Blue Bird buses that have enough capacity to haul the entire community. I am sure when they run on the route, they are only about 85% empty. There are other districts who are running older chevys that need to be replaced. There is no consistency therefore no push to efficiency at the function of how much money districts tend to have to spend or how to think about how their activity program. We need to get to a system that pushes them more directly towards efficiency and transportation. (Meter 5725) Senator Thane: Can the computer be imputed to set up the model where the township can won't keep a road open in the winter time? Can a computer be programmed for the kids who only ride occasionally, this looks like to me that it has to be handled on a local basis, day by day, or a periodic period. A lot of townships have roads that are tough, running through wooded

Page 4

Senate Appropriations Committee

Bill/Resolution Number SB 2032

Hearing Date 1-21-03

areas, it might be more efficient to take that road but if it is going to be blocked half the time in the winter, what are you doing to? (Meter #6236) Tom Decker: North Carolina did this process in a state that has huge differences between urban areas and mountainous area, all kinds of conditions on those roads.

**Tape 3 Side A**

(Meter 1) Tom Decker: There will be an incentive there for the local districts on how to handle those uniqueness. (Meter 50) Senator Robinson: Are there practices in place across the country that you are aware of that whereby there are programs with legislative intent that have been designed to address the example you gave us like the Blue Bird buses? With some districts willing to take move to that quality when we see buses all over the state. (Meter 121) Tom Decker: There are a number of things happening, for example, I was just told by a company who works out of Mandan, Jamestown, or Valley City, bus producers are now making a couple of buses with 15 or less. Designed specifically to replace those vans. All of the safety features of school bus and in ND they wouldn't require a commercial licenses, they cost a little more money but if you read today newspaper, the Mandan school board last night, made that decision to replace one of their 5 commercial non-con forming vans with one of these new small buses. Those kinds of buses are what we need in many ND districts on the outer ring to pick up just a few kids and bring them to an express bus that takes them directly to school. I believe we should put a limit on ride time. The biggest problem we have in ND is that some kids are simply in the bus too long. And it is not because it is impossible to get them to school in an hour or less, it is the way we manage or plan our transportation. (Meter 245) Chairman Holmberg explained that this bill will go to a subcommittee for review. He closed the hearing on SB 2032.

*La Costa Rickford*  
\_\_\_\_\_  
Operator's Signature

*10/15/03*  
\_\_\_\_\_  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2032 - Votes

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 13, 2003

Tape Number	Side A	Side B	Meter #
#2		x	1,530-1770
Committee Clerk Signature <i>Jan Henderson</i>			

Minutes:

Senator Holmberg stated that there wasn't support in the agency for this bill. SB 2032 provides a \$50,000 appropriation to complete the development of a data envelopment analysis based proposal for payment of reimbursement of school district transportation expenses. It is a stand alone bill. Brought in by the Interim Education Committee.

Motion by Senator Robinson for a DO NOT PASS, seconded by Senator Christmann.

**Roll call vote was taken, which is attached to the minutes. Total: 13 yes, 0 no, 1 absent and not voting. Motion carried for a DO NOT PASS**

Senator Robinson will carry the bill.

Date: 2/13  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2032

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do NOT PASS

Motion Made By Jon Robinson Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair					
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 13 No \_\_\_\_\_

Absent 1

Floor Assignment Robinson

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

REPORT OF STANDING COMMITTEE (410)  
February 13, 2003 6:01 p.m.

Module No: SR-28-2664  
Carrier: Robinson  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE  
SB 2032: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2032 was placed on the Eleventh order on the calendar.



2003 HOUSE EDUCATION

SB 2032

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10/15/03

Date

2003 HOUSE STANDING COMMITTEE MINUTES  
BILL/RESOLUTION NO. SB 2032  
House Education Committee

☐ Conference Committee

Hearing Date March 3, 2003

Tape Number	Side A	Side B	Meter #
1	x		100-1638
2	x		850-1053
Committee Clerk Signature <i>Dinda Fiechter</i>			

Minutes: Chairman Kelsch opened the hearing on SB 2032.

(100-352) Tom Decker, Director of School Finance and Organization, Department of Public Instruction, See Attached Testimony

Rep. Solberg This is a request. That you study bus loads and the size of the buses.

Decker: That is certainly be one of the inputs looked at as one of the efficiency factors.

Rep. Herbel What impact does this study have? and in respect to what other states have done.

Decker: It has been awhile since I looked at the details of the study in Carolina, they are a much larger state with a higher state population than us. But they were able to park a couple hundred buses and still get the students to school in the same amount of time as before.

Rep. Herbel In essence was the funding that was given to these school districts then decreased or was it used elsewhere, or what was the outcome?

Decker: I don't know exactly what the answer is to that question.

Rep. Jon Nelson Did the interim committee look at other ways of finding the efficiencies that are lacking in student transportation. One idea that came up in my mind would be to block grant

Page 2

House Education Committee

Bill/Resolution Number SB2032

Hearing Date March 3, 2003

transpiration payments and driving it from the local level, instead of hiring an independent consulting firm to come n with a plan that may or may not work in a given area. Was that at all considered?

**Decker** I am trying to recall if we looked at other proposals, I'm trying to remember in all the time that I have been with the department we have presented proposals to the Legislature on almost every imaginable transportation reimbursement that we could think of, block grants, sparsely and density, miles that student were from the schools. None of those proposals have become law. We have done computer runs on everything we can think of, there may be some other type of block grants other than simply putting it into foundation aid on a per pupil basis. None of them have found favor.

**Rep. Mueller** Do you envision the reporting requirements on the part of the districts to carry this full function out or do we have to increase that dramatically? Or Do we have any of the information now to do what we are asking?

**Decker:** We are convinced that we have the information that we need now. It is a matter of using that information to generate a payment basis.

**Rep. Hanson** Hasn't NDSU provided this service in the past on setting up bus routes?

**Decker:** We have done extensive work with NDSU on computerizing the school district boundaries in relation to doing a routing studies. NDSU has provided the routing studies, and continue to do that. This is related but not the same, NDSU can still do routing studies but it might not lead to a cross the board efficiencies or a new payment system.

**Rep. Hanson** But it is similar?

Page 3  
House Education Committee  
Bill/Resolution Number SB2032  
Hearing Date March 3, 2003

**Decker:** Well no, doing a routing study is going to be relatively simple computer work compared to the linear math that is required to do this type of cost analysis. Even the preliminary work done a couple of years ago, 97-99, at that time the mathematical work was a challenge to NDSU Sun Micro system. It is pretty complex stuff.

**Rep. Herbel** Many time these studies are completed and then they are not used, how can we be assured this one will be used?

**Decker** I'm sure that all the department can do is do the study and bring you the results in a proposal and the Legislature will have to adopt it before it can be used. here have been a lot of proposals to bring efficiencies to look at or a simpler formula and they have to succeeded. This model has not been done in ND and has proven to bring significant efficiencies in other states. I'm convinced it could bring us efficiencies here in ND. But that would have to be viewed as a desirable course of action.

**Rep. Mueller** If you developed the system process, is it going to be designed specifically to look at what is happening in a specific district and also cross district transportation issues? The focus of the study, if it is about a district, multi district, could you speak to that?

**Decker:** Cost factor within each district but as we begin to look for efficiencies in those items that bring about efficiencies, if we would find that where districts are cooperating, there is already a greater efficiency. Then the payment model would at the outset would push districts to do that kind of collaboration. If that turned out to be that type of efficiency, it would be a favored course of action. we will probably not know until we get into the details of the districts and considering open enrollment types of transportation issues and so on. How much impact there is in transportation of a student between district.

Page 4

House Education Committee

Bill/Resolution Number SB2032

Hearing Date March 3, 2003

**Rep. Herbel** Many of these states, did they come to the conclusion in their study, the buses themselves in the way that they were running were very inefficient that they should eliminate them, what are some other methods?

**Decker:** I'm not aware of any place that they did that. The several places that have used this in Carolina particularly, they have small school districts, mountainous terrain, with difficult travel in some places, but a lot of inefficiencies in terms of like us. Nobody has done away with school transportation that I know of, they have succeed in finding more efficient operating modes.

**Rep. Haas** Is transportation the only area where we have inefficiencies in our current delivery system for K-12 Education?

**Decker:** I'm pretty sure it is not.

**Rep. Williams :** Can local district afford to be efficient, in other words, the difference in reimbursements per mile on the large buses vs. the small buses.

**Decker:** The reimbursement for large buses includes vehicle with 10 passenger capacity and up. So you should be able to drive a 21 or a 18 passenger more efficiently than a 48 or 72 passenger. But I believe that our payment system does dictate the type of equipment that the school districts buy. There is no disincentives to buy the big buses. they have multiple uses and can be justified on the transportation systems. There are some problems with that. We need to have a payment system that pushes districts to be efficient. There are very significant differences now in what districts who appear to be comparable in square miles and total enrollment, what they spend on transportation. So some districts are currently more efficient than others.

**Rep. Hunsakor** In your testimony you talked about the other states that are running fewer buses as a result of the study.

Page 5

House Education Committee

Bill/Resolution Number SB2032

Hearing Date March 3, 2003

**Decker:** Ride time is a very big issue. We do not want to do anything that increases ride time, but would also find in a few places where joint transportation efforts can happen in adjoining districts. Having a joint transportation effort can help with having a different mix of vehicles, getting away from all of the large buses, picking up kids and bring them to a commuter bus that runs the main roads, there are a variety of ways that you can about this to save money. We want to build in the ride time does not increase. The end product we are trying to produce here is to get students to school in a reasonable amount of time.

**Rep. Solberg** What is the cost difference of running a 18 or 72 passenger bus for reimbursement mileage?

**Decker:** I am not familiar in detail with that. One of the arguments that we frequently get is that there is not enough difference between the prices to justify buying the smaller bus when the larger ones are more useful. In some districts that argument may still be true, even under this model, but there are just too many places in ND where we see huge buses with only a few students on them. There has to be something more efficient.

**OPPOSITION - none**

**(1638) closed hearing**

**(850-1053) Committee work**

**Rep. Mueller** motioned a DO PASS, **Rep. Haas** second the motion.

**Rep Hawken:** Is this money already in the budget or is this additional

**Chairman Kelsch** This is already included in Department of Public Instruction

**Rep. Herbel** Is this another appropriation, this has already been accounted for. I have some concern about these studies, we went through a study with the corrections, and if it is internally

Page 6

House Education Committee

Bill/Resolution Number SB2032

Hearing Date March 3, 2003

driven you get what they want, and that is exactly what happened. I would hope that the study that takes place here will be driven by the needs instead of someone's wants.

**Chairman Kelsch** The good thing is that whatever they come up with will have to come before us, we have to pass this, or modify it.

**Rep. Herbel** It seems so many studies are done and then they just get put on a pile somewhere and no one looks at it again.

**Chairman Kelsch** : This was an extremely important issue to the interim committee, just based on the fact that we know something has to be done on transportation. If this is of any help to you sitting on this committee, because as we talk about transportation aid into the foundation aid formula, putting all of that money together and sending it to the school district. Because Superintendents do admit that they fudge off of the transportation numbers. Devils Lake today voted unanimously to move ahead with the lawsuit and Grafton at 3:00 also moved. So I responded to the associated press. As we really get into the equity issue to be extremely important over the next couple of years.

**Roll vote: 12-1-1 Rep. Herbel will carry the bill to the floor.**

Date: 3/3/03  
Roll Call Vote #: 1

**2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 30 2032**

House HOUSE EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Mueller Seconded By Haas

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓				
Rep. Johnson	✓				
Rep. Nelson		✓			
Rep. Haas	✓				
Rep. Hawken	✓				
Rep. Herbel	✓				
Rep. Meier	✓				
Rep. Norland	AB				
Rep. Sitte	✓				
Rep. Hanson	✓				
Rep. Hunsakor	✓				
Rep. Mueller	✓				
Rep. Solberg	✓				
Rep. Williams	✓				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Herbel

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



**REPORT OF STANDING COMMITTEE (410)**  
March 3, 2003 4:19 p.m.

Module No: HR-37-3801  
Carrier: Herbel  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
**SB 2032: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS**  
(12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2032 was placed on the  
Fourteenth order on the calendar.

2003 HOUSE APPROPRIATIONS

SB 2032

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LaCosta Rickford 10/15/03  
Operator's Signature Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2032

House Appropriations Committee  
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date March 25, 2003

Tape Number	Side A	Side B	Meter #
1	X		
Committee Clerk Signature			

Minutes:

**Chairman Martinson** opened the hearing on SB 2032. All members of the committee were present.

**Rep. Raeann Kelsch**, Chairman of the House Education Committee, presented SB 2032.

**Rep. Monson** Are your plans in 2154 to put all the transportation money out as a block grant?

**Kelsch** Yes we are. The only effect it would have on this bill is the fact that you would be minus one year of data.

**Rep. Monson** So you are recommending this one should be passed?

**Kelsch** Yes.

**Rep. Brusegaard** In the bill it says completing the data envelopment analysis project, is this the same project that we've had presentations on for the bienniums I was on your committee dealing with the computer entry and finding the most efficient way to transport students?

Page 2

Education and Environment Division

Bill/Resolution Number 2032

Hearing Date March 25, 2003

**Kelsch** It is a continuation on that project. This is looking at the transportation moneys rather than just the roads.

**Rep. Brusegaard** How many years have we been working on this project and how much money have we spent up until now?

**Kelsch** We've had it two sessions, so we're thinking four years. It's \$50,000 every year. We did not appropriate any money into it during the last legislative session and so we thought it should be completed.

**Rep. Wald** Does this finish the project, this is the last one?

**Kelsch** That is correct.

**Rep. Wald** I would like to ask somebody from Department of Public Instruction a question. I have no problem finishing the study since we already have money invested, but can't we find some money in the department's budget to pay for this, the \$50,000 rather than appropriate another \$50,000 of general fund money?

**Bonnie Miller, DPI** We did not budget for it.

**Chairman Martinson** If there aren't any other questions, I think what we should do with this is send it to Rep. Monson's sub committee and hold it with the DPI budget so we can put all of those together at one time. Chairman Martinson closed the hearing on SB 2032.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 20302

House Appropriations Committee

☐ Conference Committee

Hearing Date 03-31-03

Tape Number	Side A	Side B	Meter #
1	X		0.0 - 20.7
Committee Clerk Signature <i>Chris J. Nye</i>			

Minutes:

**Chairman Svedjan** Opened SB 2032 for discussion. A quorum was present.

**Rep. Monson** I thought we could take some money out of this thing. Its a transportation study that was started about 5 years ago. DPI contracted with NDSU. They got two years of this study done, and last time we didn't fund this and I was thinking since we were block granting the transportation then we probably wouldn't need to do this. We could kill this bill. But now she says no, we have to finish it or else all the money we have spent is for nothing. This is the last phase of its project. **I move a Do Pass. 2nd by Rep. Martinson.**

**Rep. Carlson** What are the results of the two years of the study so far?

**Rep. Monson** The demographics study. They diagrammed school districts bus routes, but never looked at the particulars. They have the milcage data, but they don't have the good roads and route data.

**Rep. Carlisle** How much have we spent on this?

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*La Costa Rickard* 10/15/03  
Operator's Signature Date

Page 2

House Appropriations Committee

Bill/Resolution Number SB 2032

Hearing Date 03-31-03

**Rep. Monson** We don't know.

**Rep. Carlson** My reaction is that this would be a good place to leave it.

**Rep. Delzer** I agree. Especially in a year like this.

**Chairman Svedjan** Does this bear on equity at all?

**Rep. Monson** It would. If they block grant like before, this won't be. By itself it won't provide equity but it will lead to studies on it.

**Rep. Wald** Why doesn't DPI do this?

**Rep. Monson** No one told them to.

**Motion Fails 9-11-3.**

**Rep. Wald** I move to strip the \$500,000 appropriation and pass the bill.

**Roxanne Woeste, Legislative Council** The bill is the appropriation.

**Rep. Wald** I withdraw my motion.

**Rep. Warrick** I move a Do Not Pass. 2nd by Rep. Wald.

**Rep. Delzer** Can't we word this to give them authority to do this, but not the money?

**Rep. Metcalf** This sounds like an ongoing procedure, so they must have the authority already.

**Rep. Timm** We could put that language in, but they'll not find the money.

**Motion Fails 10-10.**

**Woeste** The School Aid Transportation Fund is 35.2 million dollars.

**Rep. Glasshelm** Can we do a hog-nose intent, or wait until 2013 is considered?

**Chairman Svedjan** There are a couple of alterations on the table.

**Rep. Carlson** What's the end result of this study?

Page 3  
House Appropriations Committee  
Bill/Resolution Number SB 2032  
Hearing Date 03-31-03

**Rep. Monson** It would be done by NDSU and they would reevaluate the bus routes. This would send a message to the court on why we spend our transportation dollars to the schools this way.

**Rep. Wald** Would this be done by the Great Plains Transportation Institute?

**Rep. Monson** I'm not sure who will do it.

**Rep. Delzer** A lot of that information has been gathered already and we have a lot of consolidations. This is a waste of \$50,000. Superintendents and school boards know their routes best.

**Rep. Glassheim** We should have someone from the department here to explain that.

**Chairman Svedjan** I was advised that we didn't need anyone here.

**Rep. Wald** I move a Do No Pass. 2nd by Rep. Carlson. Motion Carries 13-9-1. Rep. Wald will carry this bill.

REPORT OF STANDING COMMITTEE (410)  
March 31, 2003 9:27 a.m.

Module No: HR-57-6151  
Carrier: Wald  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

SB 2032: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO NOT PASS** (13 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). SB 2032 was placed on the Fourteenth order on the calendar.



2003 TESTIMONY

SB 2032

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10/15/03

**TESTIMONY ON SB 2032  
SENATE EDUCATION COMMITTEE  
January 13, 2003**

**by Tom Decker, Director School Finance and Organization  
328-2267  
Department of Public Instruction**

*Same  
testimony to  
House*

Mr. Chairman and members of the committee:

My name is Tom Decker and I am the Director of School Finance and Organization for the Department of Public Instruction.

Senate Bill 2032 provides a \$50,000 appropriation to complete the development of a data envelopment analysis based proposal for payment of reimbursement of school district transportation expenses. Data envelopment analysis is a cost analysis model designed to promote efficiency in the operation of programs within political subdivisions. Although it could be applied to various aspects of school operations it has been most commonly applied to transportation. A number of states including North Carolina use data envelopment analysis as a basis for transportation payments statewide.

Conceptually, data envelopment analysis involves an analysis of an operation like school transportation to determine what the key outputs are. In this case it would be children delivered to school and then determining which inputs have the maximum effect on efficiency of reaching that output. This analysis is done by computer through complex linear programming. Districts are then grouped into peer groups and compared in terms of costs to reach a given amount of the identified output. The most efficient transportation operation among the peer group of districts becomes the model and a payment basis is determined based on the most efficient models. This analysis can be done yearly to update relative efficiency and adjust the payment schedule to reflect the performance of the most efficient district.

Inputs that might be analyzed are the number of buses involved, length of routes, size of buses, the configuration of routes whether they are simply long bus routes or whether they use a peddle configuration in which small buses pick up students at the outside extremes of the district and transfer them to a

commuter bus. Ride time would be considered. The analysis of district operations might uncover additional input factors that are significant in determining the most efficient process.

The department began a study of data envelopment analysis in conjunction with development of school maps and other aspects of school transportation during the middle '90's. However, there was not adequate time or funds to complete the development of a proposal which was refined enough to serve as a basis for transportation payment. We believe that this appropriation will allow us to complete the study of data envelopment analysis and bring a transportation payment proposal based on it to the next session of the legislature.

The reason we believe that it is important is as we have pointed out many times to legislative committees and interim committees is that there is currently no incentives for efficiency within the transportation payment system.

Editorials have been written at various times across North Dakota about the inefficiencies in the transportation system, the most commonly mentioned factor is the incidence of two or three school buses meeting or passing on the same roads daily in the course of picking up students. Data envelopment analysis or a similar system, which pushes districts to develop more efficient transportation systems identifies sources of inefficiency. Districts would be encouraged for example to collaborate picking up students and arranging exchange points to prevent multiple buses traveling on the same route on a daily basis.

Mr Chairman that concludes my testimony. If there are any questions I would be happy to answer them.

# Measuring Efficiency

Efficiency measures involve converting:

Various inputs (resources)



Various outputs (goods, services)

25

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## Data Envelopment Analysis (DEA)

- Districts with similar transportation situations form peer groups - relative performance is measured against peers
- Computes ratios of multiple outputs to multiple inputs -- for each district, a mathematical method (linear programming), finds the combinations that maximize district efficiency (ultimate fairness)
- Sources of inefficiency are explicitly identified, along with explicit measures of how much improvement in each measure each should be able to make

26