2011 HOUSE GOVERNMENT AND VETERANS AFFAIRS
HB 1094

#### 2011 HOUSE STANDING COMMITTEE MINUTES

## House Government and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1094
January 13, 2011
12887 (Last part of recording)

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Investment of special funds in the state treasury for the purpose of funding grants for teachers to pursue national board certification

Minutes:

Chairman Bette Grande opened the hearing on HB 1094.

Dr. Wayne Sanstead, Superintendent, Department of Public Instruction, appeared in support of HB 1094. Attachment 1.

**Rep. Lisa Meier:** How many grants were given in the last biennium for teachers?

**Dr. Sanstead:** Bonnie Miller of DPI informed me this morning that ESPB did not have that number available. They had a board meeting and could not provide that information yet.

Chairman Bette Grande: When you receive that, will you inform the committee.

**Rep. Vicky Steiner:** Isn't that what the Investment Board does? Don't they invest money and are you putting responsibility on the State Treasurer to do something that is really not in her job description?

**Dr. Sanstead:** The State Investment Board does invest state funds. Clearly, they have only the one fund with which they place those state dollars, in this case, the national board certification dollars into play. They just don't have the opportunity to compete or to give further support to these dollars. That is why we believe it would be in the best interest of the state, certainly the teachers, to move the funds to the State Treasurer who will have the opportunity to find the best source of return for the investment.

Chairman Bette Grande: Treasurer Schmidt, do you wish to address that?

**Kelly Schmidt: Attachment 2.** I can share with you that there have been times where the money market account with the State Investment Board was getting under 3%, and my office through BidND was getting more than 5. In this economic climate, I would not wager to say that the disparity would be that much from the State Investment Board to the BidND

House Government and Veterans Affairs Committee HB 1094 January 13, 2011 Page 2

program, but just this week we received 1.45 compared with less than 1% with the State Investment Board.

Rep. Roscoe Streyle: The balance of this gets put into CDs for the most part then?

Kelly Schmidt: Yes.

**Rep. Roscoe Streyle:** When can they redeem this \$2,500? They are not going to let you pull money out of CDs.

**Kelly Schmidt:** We will have to work with Bonnie and with the Department of Public Instruction to make sure we are addressing their investment policies and the ideas that they have. We will ladder things out so that dollars will become available as they need them for the liquidity.

**Rep. Gary Paur:** I did a little math here. Our ending balance as of November 30 in that fund was \$501,000. It doesn't appear that any money was distributed to the National Board Certification for Teachers.

Bonnie Miller, Administrative Services Director, DPI, appeared. There was \$102,500 appropriated for this biennium along with that \$500,000. The \$102,500 was in anticipation that there would not be any significant earnings to pay those certifications at this point. There have been teachers that have applied to become certified, and we have been paying those from the \$102,500 that was put into DPI's budget for that purpose.

**Rep. Glen Froseth:** On Dr. Sanstead's testimony he states the 61<sup>st</sup> Legislative Assembly appropriated \$500,000. Was that the 61<sup>st</sup> or was it the session prior to that?

Bonnie Miller: The \$500,000 was appropriated by the 61st.

Rep. Glen Froseth: Prior to that, this is a new program started?

**Bonnie Miller:** The National Board Certification program has been ongoing, and there has been money appropriated each legislative session to pay those certifications. It was just the 61<sup>st</sup> legislature that decided to appropriate the \$500,000 to try and generate income for future certifications.

Rep. Glen Froseth: What is your request for appropriations this biennium?

**Bonnie Miller:** Janet Welk from the ESPB has asked for \$85,000 in addition to the \$102,500. She has \$102,500 in the current budget, and she asked for an additional \$85,000. This money is used not only for if a teacher wants to become certified, but there are also stipends, \$1,000 each year for each of four years for those who have previously acquired certification.

**Chairman Bette Grande:** Clarification here. We in the 61 Assembly gave \$500,000, but it also says there was \$102,000. It really it wasn't 500. It was \$602,500?

House Government and Veterans Affairs Committee HB 1094 January 13, 2011 Page 3

**Bonnie Miller:** That is correct in total. Five hundred was to create the endowment fund, and 102,500 was to provide certifications and stipends until such time as the fund begins to earn enough money to take care of those items.

**Rep. Bill Amerman:** This might be for Dr. Sanstead. When a teacher gets national board certification, what does that all entail?

**Dr. Sanstead:** It is a very strong and worthy process, and they go through considerable work. The documentation of their progress as an educator is clearly watched at the national level and taken cognizance. Josh Askvig of NDEA might want to mention your knowledge of the extent to which the teacher prepares.

Josh Askvig, NDEA, appeared. We haven't taken a position on the bill so I just want to be clear that we are not testifying in support or opposition at this time. To answer your question, Rep. Amerman, about national board certification, National Board Certification program is a program that teachers voluntarily choose to go through that is a very in depth experience where they do a lot of reflection on their teaching skills. They do some videoing of how they are doing in the classroom and write about and study. It is a continuing education process as a certification aimed at being recognized across the country at recognizing what we consider master teachers or people who have really perfected their profession, obviously something we support very strongly and think it is a great program. The easiest way to describe it is it takes a little over a year to a year and a half to go through this process of in depth study, reflection, application of best practices to their lesson planning and their teaching into their classroom. I don't have the specifics. I have the experience in helping some school districts start the process. The first step of the process is over 30 hours outside the classroom work.

**Rep. Bill Amerman:** In a nutshell when a teacher goes through this process, I guess the reward is they probably get higher salaries or faster job improvement?

Josh Askvig: Ultimately, the reward is to the students in ensuring that the teacher has improved their skills to ensure that all students are learning. That is the goal of it. In the stipend portion of it, yes, because they have gone through this extra training and how in their skills to become a "master teacher" that they would receive some additional compensation. There are plans that hopefully you will get to consider later on in the session about how that might be worked into school district compensation plans. Some school districts already reward those teachers. The state has this plan as well to do that.

**Rep. Karen Rohr:** Just a point of clarification. When a teacher successfully passes the certification process, they get a stipend that is indicated in this bill plus they get a salary increase?

**Josh Askvig:** That may be so. That is not necessarily so. They get a stipend from the state and certain school districts have bargained into their collective bargaining agreement at the local level that those individuals receive additional compensation.

**Rep. Lisa Meier:** Do we have any limits right now on the amounts of grants that are given per biennium? I thought we still did, but I wasn't sure of the amount.

House Government and Veterans Affairs, Committee HB 1094 January 13, 2011 Page 4

**Josh Askvig:** Yes, we do. I don't have them in front of me. I was at the hearing earlier this week on the DPI budget bill where ESPB provided their testimony about additional funding. What it was listed, I believe, was \$82,500 increase but they have actually backed off on that because of those limits. The increase in appropriation this year isn't the full \$82,500 request. I will get that to the committee.

There was no one neutral or in opposition to HB 1094.

The hearing was closed.

**Chairman Bette Grande:** The pertinent portion of this bill is strictly if SIB is going to do it or is the Treasurer's Office.

Rep. Vicky Steiner made a motion for a Do Pass.

Rep. Bill Amerman seconded the motion.

DO PASS, 13 YEAS, 0 NAYS. Rep. Roscoe Streyle is the carrier of this bill.

Date:	1-13-11	
	Roll Call Vote #:	Z

## 2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1011

House GOVERNMENT AND VET	ERAN A	FFAIRS	S	Comn	nittee
Check here for Conference Confere	ommitte	е			
Legislative Council Amendment Num	nber _				
Action Taken Do Pass	Do Not F	Pass [	Amended Adopt	Amendmer	nt
Motion Made By		e Se	Reconsider	Ame	rwan
Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande	1/		Bill Amerman		<b>  </b>
Vice Chairman Randy Boehning	1/		Ron Guggisberg	V	ļ <u>-</u>
Glen Froseth	1/		Lonny Winrich	- 1	<b></b>
Karen Karls	1/				<del>                                     </del>
Lisa Meier	1/	ļ			<del>                                     </del>
Gary Paur	i/_				<del> </del>
Karen Rohr	1/2	ļ			<del>                                     </del>
Mark Sanford	V	ļ			
Vicky Steiner	V	ļ			<del>                                     </del>
Roscoe Streyle	-V				-
		<u>                                     </u>			<del>                                     </del>
Total (Yes)	/3	N	o	<u> </u>	
Absent(	<u>)</u>				
Floor Assignment	- 2p - E	St	eyle		
If the vote is on an amendment, bri	/ efly indic	ate inte	ent:		

Com Standing Committee Report Module ID: h\_stcomrep\_08\_011 January 13, 2011 12:59pm

Carrier: Streyle

REPORT OF STANDING COMMITTEE

HB 1094: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1094 was placed on the Eleventh order on the calendar.

**2011 SENATE GOVERNMENT AND VETERANS AFFAIRS** 

HB 1094

#### 2011 SENATE STANDING COMMITTEE MINUTES

#### Senate Government and Veteran's Affairs Committee

Missouri River Room, State Capitol

HB 1094 March 3, 2011 14894

Conference Committee	
Committee Clerk Signature	
Explanation or reason for introduction of bill/resolution:	
Relating to investment of special funds in the state treasurery for the purpose of funding grants for teachers to pursue national board certification	

**Testimony Attached** 

Dr. Wayne Sanstead: State Superintendant. See attached testimony #1.

Senator Cook: Saying that this is unnecessary is assuming that what the Senate did stays done.

Dr. Wayne Sanstead: That is correct.

Minutes:

**Senator Nelson**: Were there no grants given for people to get their certification in the last 2 years?

**Dr. Wayne Sanstead**: Grants were given and we did fully fund the teachers who were in the program but that was from an appropriation amount designated for that purpose from last session.

Senator Nelson: What is the purpose of having this fund in the first place?

**Dr. Wayne Sanstead**: To provide a future for this fund. The amount was so small it wouldn't even cover one teacher's cost for national certification.

Chairman Dever: You are suggesting that we defeat the bill?

**Dr. Wayne Sanstead**: I would leave that in your hands.

Chairman Dever: If they are eliminating the fund would it be better to defeat the bill and not the fund

Dr. Wayne Sanstead: The repeal as it is now is in the department's budget bill.

Senator Cook: How is your testimony in the House will be received?

Senate Government and Veteran's Affairs Committee HB 1094 March 3, 2011 Page 2

**Dr. Wayne Sanstead**: Communication was taken only when action was taken. My response would be that I would be more comfortable if there was an endowment fund.

Senator Nelson: How many people are working on certification?

Janette Welk: Executive Director of Education Standards and Practices Board. For each teacher that goes through the assessment it costs \$1,200. At this time we have about 30 teachers that get checks each May. It costs \$40,000 for the biennium for the assessment fee. This year we have 5 people, we have had as many as 9. You pay for the first assessment and if there are retakes the financial burden falls on the individual.

Chairman Dever: We could amend the bill to allow you to accept contributions if you were able to solicit those.

Janette Welk: The only concern that I would have with that is that we want to support the teachers that have already gone through this process.

There was no further discussion and Chairman Dever closed the public hearing on HB 1094.

#### 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Government and Veteran's Affairs Committee Missouri River Room, State Capitol

HB 1094 March 31, 2011 16234

Conference Committee
Committee Clerk Signature
Explanation or reason for introduction of bill/resolution:
Relating to investment of special funds in the state treasurery for the purpose of funding grants for teachers to pursue national board certification
Minutes: No testimony attached

Chairman Dever: The issue exists \$500,000 at the Band of North Dakota and to allow it to be invested by the treasurer. We are up against a deadline and the fund continues to exist even if there is a zero balance. Is it better invested otherwise, is we kill the bill then it exists in the bank account and if we pass the bill those funds would be available for investment.

**Senator Cook**: The fund would still exist with a zero balance is that because there is nothing closing the fund out?

Chairman Dever: We are not sure what the Appropriations actions will be.

**Senator Cook**: Take the money out of it and put it in the general fund and that bill was 1451, you have to close the fund out in order for it to go away. I would hope that if they are taking all the money out that they decide to take the \$500,000 out of there then I am wondering if they make the decision to put the money back in and put the language back in.

Senator Nelson: Do we have an obligation to teachers who have already obtained this.

**Josh Askvig**: There is a line tem in the Appropriations bill to pay that. In 2013The fund, as we see it, would be to eventually get rid of it.

**Senator Cook**: This fund would need a lot more money to generate what we need, the only thing that this created

Senator Nelson: If that happens then the entire match would be gone? What is the future of national certification to teachers? Will there be any incentive?

Senate Government and Veteran's Affairs Committee HB 1094 March 31, 2011 Page 2

**Senator Cook**: That is elsewhere in code, which is why they put the Appropriations in there. That is the program that was implemented 10 years ago and the fund is not generating the return to cover the financial obligations of the program.

Senator Cook: Take the money out or tie it back in.

Chairman Dever: It would be about right.

Senator Nelson: The state investment board isn't going to mess around with \$500,000.

Chairman Dever: I am trying to sort out what they are talking about here. That is what we are

talking about.

The committee then decided to hold over HB 1094 until they could get further information.

#### 2011 SENATE STANDING COMMITTEE MINUTES

#### Senate Government and Veteran's Affairs Committee

Missouri River Room, State Capitol

HB 1094 March 31, 2011 16256

Conference Committee
Committee Clerk Signature
Explanation or reason for introduction of bill/resolution:
Relating to investment of special funds in the state treasurery for the purpose of funding grants for teachers to pursue national board certification
Minutes: No testimony attached.

A motion was made for a do pass by Senator Nelson with a second by Senator Schaible, there was no further discussion, roll was taken, the motion passed 5-1-1 with Senator Schaible carrying the bill to the floor.

Date:	3	31	Η
Roll C	ali V	ote#	

## 2011 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1094

Senate				Comi	mittee
Check here for Conferen	ice Committe	e			
Legislative Council Amendmen	it Number _				
Action Taken: Do Pass	s 🗌 Do Not	Pass	Amended Ac	lopt Amen	dment
Rerefer	to Appropria	tions	Reconsider	<u> </u>	
Motion Made By Noliso	<u> </u>	Se	econded By	rle.	
Senators	Yes	No	Senators	Yes	No
Chairman Dever	-		Senator Marcellais		X
Vice Chairman Sorvaag	X		Senator Nelson	X	
Senator Barry	X.				
Senator Cook					
Senator Schaible	X				
					-
Total (Yes)	5	N	o		
Absent Cook	<u> </u>		·	Minimum of the second	<u> </u>
Floor Assignment	chaild	9			
If the vote is on an amendmen	nt, briefly indic	ate inte	nt:		

Com Standing Committee Report April 1, 2011 7:44am

Module ID: s\_stcomrep\_59\_001 Carrier: Schaible

#### REPORT OF STANDING COMMITTEE

HB 1094: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends DO PASS (5 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1094 was placed on the Fourteenth order on the calendar.

į

2011 TESTIMONY

HB 1094

attachment 1 HB 1094

#### TESTIMONY ON HB 1094 Government and Veterans Affairs Committee January 13, 2011

By Dr. Wayne G. Sanstead, State Superintendent 701-328-4570

#### **Department of Public Instruction**

Good morning Madam Chair Grande and members of the Government and Veterans Affairs Committee:

For the record, my name is Dr. Wayne G. Sanstead and I am the State Superintendent for the Department of Public Instruction. I am here to provide information to the Committee regarding House Bill 1094 which amends Subsection 1 of Section 15.1-13-33 of the North Dakota Century Code in order to better invest the State National Board Certification endowment funding.

The 61<sup>st</sup> Legislative Assembly appropriated \$500,000, to the Superintendent of Public Instruction, for the purpose of creating the National Board Certification Fund. The purpose of that fund is to allow the Education Standards and Practices Board (ESPB) to award grants to teachers pursuing National Board Certification. The legislation designated that the State Investment Board (SIB) should invest the funds.

On August 28, 2009, my Fiscal Director, Bonnie Miller and I met with the State Investment Board. At that time, we were advised that the State Treasurer should be investing these funds as that office tracks the interest rates paid by

various banking institutions and can thereby transfer cash from one money market account to another in order to maximize the return.

The State Investment Board, on the other hand, holds cash in a money market account at the Bank of North Dakota. On November 30, 2010, the market value of the National Board Certification Fund was \$501,320 and the interest rate was only 0.03%. The cost for a teacher pursuing National Board Certification is \$2,500 of which one half or \$1,250 is paid by the State.

It is the intent of the Fund to maintain the initial principal amount and to only use the investment earnings for future expenditures. I understand that an additional \$102,500 was appropriated by the 2009-2011 Legislative Assembly for anticipated grant awards and stipends for teachers who have completed the certification process. Clearly, future biennium appropriations may be needed until sufficient investment income has accrued within the fund.

Madam Chair Grande and Committee members, this completes my testimony. I urge you to give a favorable recommendation to HB 1094. Thank you for your kind attention. Please feel free to contact us for any additional information you may need.

Attachment 2 HB 1094

House Bill 1094

Neutral Testimony

Committee: House Government and Veterans Affairs

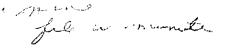
Kelly Schmidt

State Treasurer

We have funds similar to the National Board Certification Fund invested under the Office of State Treasurer. Statutory funds include the Contract Sales Indemnity Fund, Veteran's Cemetery Trust Fund. These funds were moved to the Office of State Treasurer in 2007-09 and 2009-11 biennium.

As a member of the State Investment Board, I can confirm investments to "cash equivalent" products are limited to a money market option which are not always the best option for return in this situation.

Our cash investments are invested through our BidND program. BidND was established in March of 2005 to maximize interest income on state investments which can be deposited outside the Bank of North Dakota. These funds are invested in financial institutions throughout ND using a bid process. The institution with the highest rate receives the investment. We get the best rate available and the dollars stay in North Dakota.





#### **Department of Public Instruction**

600 E Boulevard Ave., Dept. 201, Bismarck, ND 58505-0440 (701) 328-2260 Fax - (701) 328-2461 http://www.dpi.state.nd.us

Dr. Wayne G. Sanstead State Superintendent

TO:

Bette Grande, Chair

Government & Veterans Affairs Committee

FROM:

Bonnie J. Miller, Administrative Services Director

Bonnie

DATE:

January 20, 2011

RE:

House Bill No. 1094

Enclosed is the document requested at our January 13, 2011, Committee meeting. Specifically:

 A listing of North Dakota teachers who have achieved National Board Certification.

If you have questions or need additional information, please contact me at 328-2346.

School for the Deaf Devils Lake, ND (701) 662-9000 School for the Blind Grand Forks, ND (701) 795-2700 State Library Bismarck, ND (701) 328-2492

LINCT NEWS	100000							
TINST INAINIE	LAS! INAIME	SCHOOL DISTRICT	CERTIFICATE	CIT✓	STATE	DATE CERTIFIED	CERTIFIED ON	STATUS
David	Bartz	MANDAN 1	Generalist/Middle Childhood	Mandan	QN	11/22/2012	11/22/2002	Active
ja	Realidoin	BICAAAO	English Language Arts/Adolescence and	i				
5	Honne	DISMIANCA I	roung Adulthood	Bismarck	2	11/19/2014	11/19/2004	Active
Amy	Benz	BEULAH 27	English Language Arts/Early Adolescence	Beulah	ND	11/30/2019	11/30/1999	Renewed
			Exceptional Needs Specialist/Early					
Karrie	Bohan	GRAND FORKS 1	Childhood through Young Adulthood	<b>Grand Forks</b>	ND	11/30/2020	11/30/2000	Renewed
Glorianne	Bradshaw	VALLEY 12	Generalist/Early Childhood	Crystal	QN	11/19/2014	11/19/2004	Active
1			Mathematics/Adolescence and Young					
Susan	Forster	BISMARCK 1	Adulthood	Bismarck	ND	11/19/2020	11/19/2010	Active
=	Grzadzielewski		English Language Arts/Early Adolescence		CN	11/30/2009	11/30/1090	1000
Misti	Guelld	BISMARCK 1	Generalist/Middle Childhood	Bismarck	Q.	12/13/2016	12/13/2006	Active
Crystal	Halseth	MINOT 1	Science/Adolescence and Young Adulthood	Minot	QN	11/21/2018	11/21/2008	Activo
			Art/Early Adolescence through Young			2	222 /== /	2013
Joan	Hansen	MINOT 1	Adulthood	Minot	ON.	11/21/2013	11/21/2003	Active
Linda	Hoag	BISMARCK 1	Exceptional Needs Specialist/Early Childhood through Young Adulthood	Bismarck	8	12/13/2016	12/13/2006	Active
Robin	Jossart	BISMARCK 1	Science/Adolescence and Young Adulthood	Bismarck	2	11/21/2013	11/21/2003	Activa
Arlene	Juhl-Vandal	ST JOHN:3	Generalist/Early Childhood	Saint John	Q	11/21/2018	11/21/2008	Active
Joseph	Kennedv	FARGO 1	Mathematics/Adolescence and Young		2	14 (22 /2042		
Susan	Klabunde	WEST FARGO 6	Generalist/Middle Childhood	Wort Force		11/22/2012	11/22/2002	Active
Filen	Kniidson		Canada / Wilder Cilialiood	west raigo	2 :	12/13/2016	12/13/2006	Active
	i Ospania		Generalist/Early Childhood		2	11/30/2009	11/30/1999	Inactive
Julia	Koble	MINOT 1	Science/Adolescence and Young Adulthood	Minot	Q	11/22/2012	11/22/2002	Active
Ruby	Lawier		Generalist/Early Childhood		Ð	11/30/2010	11/30/2000	Inactive
Kathleen	Lentz	VALLEY CITY 2	Generalist/Middle Childhood	Valley City	<u>N</u>	11/19/2014	11/19/2004	Active
Linda	Maize	BEULAH 27	Generalist/Early Childhood	Beulah	Q	11/22/2012	11/22/2002	Active
Kristi Ann	Marks	FARGO 1	Generalist/Middle Childhood	Fargo	Q.	11/21/2013	11/21/2003	Active
			English Language Arts/Adolescence and					3
Myron	Masset		Young Adulthood		Q	11/30/2010	11/30/2000	Inactive
Kim	Mc Vicar		Science/Adolescence and Young Adulthood		Q.	11/30/2009	11/30/1999	Inactive
Donna Marie	Nestoss	BISMARCK 1	Generalist/Early Childhood	Bismarck	QN	11/22/2012	11/22/2002	Active

		η_	ì	<del>т</del>	I	Τ	_	ĺ	l
	Active	Active	Active	Active	Active		Active	Active	Active
	11/19/2004	12/13/2006	11/21/2008	11/19/2004	11/9/2007		11/15/2001	11/21/2003	11/19/2004
	11/19/2014	12/13/2016	11/21/2018	11/19/2014	11/9/2017		11/15/2011	11/21/2013	11/19/2014
İ	Q.	Q.	2	S	S		QN	ND	QN
	Bismarck	Bismarck	Fargo	Des Lacs	Bismarck			Ellendale	Devils Lake
	Social Studies - History/Adolescence and Young Adulthood	Generalist/Middle Childhood	English Language Arts/Early Adolescence	Science/Adolescence and Young Adulthood	Generalist/Middle Childhood	English Language Arts/Adolescence and	Young Adulthood	Generalist/Middle Childhood	English Language Arts/Early Adolescence
	BISMARCK 1	BISMARCK 1	FARGO 1	UNITED 7	BISMARCK 1			ELLENDALE 40	DEVILS LAKE 1
	Pole	Preszler	Rensch	Sandbo	Schmidkunz	, , , , , , , , , , , , , , , , , , ,	Scilleluer	Sell	Tande
	Katherine	Karen	Kimberly	Mary	Linnett	7	Caro	Anna	Teresa

# TESTIMONY ON HB 1094 Senate Government and Veterans Affairs Committee March 3, 2011 By Dr. Woyne C. Senated, State Superintendent

By Dr. Wayne G. Sanstead, State Superintendent 701-328-4570

#### **Department of Public Instruction**

Good morning Mr. Chairman and members of the Senate Government and Veterans Affairs Committee:

For the record, my name is Dr. Wayne G. Sanstead and I am the State Superintendent for the Department of Public Instruction. The original purpose of House Bill 1094 was to secure a better rate of investment return for the State National Board Certification Endowment Fund.

That endowment was provided by The 61<sup>st</sup> Legislative Assembly which appropriated \$500,000, to the Superintendent of Public Instruction, for the purpose of creating the State National Board Certification Endowment Fund. That fund would allow the Education Standards and Practices Board (ESPB) to award grants to teachers pursuing National Board Certification. The legislation designated that the State Investment Board (SIB) should invest the funds.

On August 28, 2009, my Fiscal Director, Bonnie Miller and I met with the State Investment Board. At that time, we were advised that the State Treasurer should be investing these funds as that office tracks the interest rates paid by

various banking institutions and could thereby transfer cash from one money market account to another in order to maximize the return.

The State Investment Board, on the other hand, held endowment cash in a money market account at the Bank of North Dakota. On December 31, 2010, the market value of the State National Board Certification Endowment Fund was \$501,220 and the interest rate was only 0.03%.

The Senate Appropriations Committee in considering Senate Bill 2013 which is the Department of Public Instruction (DPI) budget bill moved the source of funding for a number of related National Board Certification programs to directly come from the endowment rather than the General Fund. In other words the Senate Appropriations Committee designated the endowment money to be used for current expenditures.

The Senate enacted funding changes as follows:

Changed the source of the one-time funding for an Education Standards and Practices Board/DPI Approval & Accreditation mainframe re-write (\$200,000).

Changed the funding source of the National Board Teacher Certification

Program to provide funding from the State National Board Certification

Endowment Fund (\$185,000).

Provided \$100,000 in additional funding from the State National Board

Certification Endowment Fund to increase operating expenses related to the cost of

administering the ACT to all 11<sup>th</sup> grade students for a total expenditure of \$778,400 (\$678,400 from the General Fund and \$100,000 from the endowment fund).

By Senate Appropriation action, any funds remaining in the State National Board Certification Endowment Fund at the end of the 2011-2013 biennium are to be transferred to the State General Fund. Total funding changes therefore will fully deplete the \$501,220.

Further, a repeal of section 15.1-13.33 which created the State National Board Certification Endowment Fund is now included in SB 2013.

Chairman Dever and Committee members, there now is no real need for HB 1094 as there will clearly be no State National Board Certification Endowment Fund for the future. Thank you for your kind attention. Please feel free to contact us for any additional information you may need.